

THE NATION'S BUSINESS

May

1922

Things Seen in a Long Life

By ROBERT DOLLAR

Industrial Justice—Not Peace

By WILLIAM ALLEN WHITE

Some Thoughts on the Bonus

By DR. CHARLES W. ELIOT

Gold Standard? Why Keep It?

Questions by
THOMAS A. EDISON

Answers by
DARWIN P. KINGSLEY

Buncoing the Business Man

By SAMUEL HOPKINS ADAMS

Why Not Aid Shipping, Too?

By WINTHROP L. MARVIN

It's the Farm That Needs Ships
The Hunter Who Wouldn't Shoot
The Grocer, the Butcher and \$10

25 Cents





34 Pyramids — \$70,000,000!

TEN years ago \$8,000,000 worth of fibre shipping boxes were used—last year some \$70,000,000—which would stack up as 34 Egyptian pyramids, each 481 feet high by 756 feet square at the base!

This wonderful growth of \$62,000,000 means that a great many of America's biggest manufacturers have learned that it saves to ship in corrugated and solid fibre containers.

Container Club Fibre **Saves!**

*It saves you cash over wood, at the start
It saves nine-tenths of your space
It saves contents from damage
It saves freight for your customers
It saves your customer—FOR YOU!*

Any Container Club member will design, free of cost, a box scientifically constructed and tested, to carry your goods **safely**, and at the same time **save you and your customers money.**

Container Club Service which we have rendered to so many others, we will render to you—if you tell us your problem.



Address:

The Container Club

Dept. A3, 608 S. Dearborn St., Chicago

[Note: The Container Club is an Association of manufacturers—builders of CORRUGATED and SOLID fibre containers of very superior quality. Their individual plants—some forty in number—are located from Massachusetts to California.]

Exterior View Truss-on Standard Building, Saw-tooth type McGill Manufacturing Company, Valparaiso Indiana.



Interior View Trux-
con Standard Build-
ing, Saw-tooth type
Mobile Tractor
Company, Mobile,
Alabama

Buy Your Standard Building Now

The time to buy Truscon Standard Buildings is now. Every business man knows that steel prices are at low ebb, much lower proportionately than other building materials. Steel is used exclusively in Truscon Standard Buildings, including sash, doors, walls, roofs and framing. That's why we can sell these buildings at such a low price, much lower compared to pre-war prices than any other type of construction.

Permanent, sturdy, substantial, high class and fire-proof, Truscon Standard Buildings are ideal for a wide variety of uses. Built entirely of interchangeable steel units, they exactly fulfill your individual requirements as regards to size, arrangements, day-lighting, and ventilation. They are easily erected and quickly dismantled and re-erected in a new location with 100% salvage. Truscon Standard Buildings are widely used for factories, warehouses, machine shops, foundries, service garages, filling stations, dining halls, shops, etc. See accompanying diagram for types and sizes.

Act now. Investigate these buildings immediately. No one can tell how long the present low scale of prices will continue.

Return coupon, checking size and purpose of the type of building in which you are interested.

TRUSCON STEEL COMPANY
YOUNGSTOWN, OHIO

Sales Offices and Warehouses in Principal Cities

TRUSCON
STANDARD  **BUILDINGS**

INFORMATION COUPON

Diagrams show Types and sizes of
TRUSCON STANDARD BUILDINGS
HEIGHTS, Curb to Eave: 8'-0" to 21'-4"

LENGTHS, Types 1, 2, 3 & 4 any Multiple of 20
LANTERN, 12-0 wide provided at Ridge of
any Building 40-0 or more in width



Widths 6-8-10-12-16-18-20-24-28-30-40-50-60



Width = 40 - 50 or 60'



White. 515-525-535-545-555-565-575-585-595-605-615-625-635-645-655-665-675-685-695-705-715-725-735-745-755-765-775-785-795-805-815-825-835-845-855-865-875-885-895-905-915-925-935-945-955-965-975-985-995-1005-1015-1025-1035-1045-1055-1065-1075-1085-1095-1105-1115-1125-1135-1145-1155-1165-1175-1185-1195-1205-1215-1225-1235-1245-1255-1265-1275-1285-1295-1305-1315-1325-1335-1345-1355-1365-1375-1385-1395-1405-1415-1425-1435-1445-1455-1465-1475-1485-1495-1505-1515-1525-1535-1545-1555-1565-1575-1585-1595-1605-1615-1625-1635-1645-1655-1665-1675-1685-1695-1705-1715-1725-1735-1745-1755-1765-1775-1785-1795-1805-1815-1825-1835-1845-1855-1865-1875-1885-1895-1905-1915-1925-1935-1945-1955-1965-1975-1985-1995-2005-2015-2025-2035-2045-2055-2065-2075-2085-2095-2105-2115-2125-2135-2145-2155-2165-2175-2185-2195-2205-2215-2225-2235-2245-2255-2265-2275-2285-2295-2305-2315-2325-2335-2345-2355-2365-2375-2385-2395-2405-2415-2425-2435-2445-2455-2465-2475-2485-2495-2505-2515-2525-2535-2545-2555-2565-2575-2585-2595-2605-2615-2625-2635-2645-2655-2665-2675-2685-2695-2705-2715-2725-2735-2745-2755-2765-2775-2785-2795-2805-2815-2825-2835-2845-2855-2865-2875-2885-2895-2905-2915-2925-2935-2945-2955-2965-2975-2985-2995-3005-3015-3025-3035-3045-3055-3065-3075-3085-3095-3105-3115-3125-3135-3145-3155-3165-3175-3185-3195-3205-3215-3225-3235-3245-3255-3265-3275-3285-3295-3305-3315-3325-3335-3345-3355-3365-3375-3385-3395-3405-3415-3425-3435-3445-3455-3465-3475-3485-3495-3505-3515-3525-3535-3545-3555-3565-3575-3585-3595-3605-3615-3625-3635-3645-3655-3665-3675-3685-3695-3705-3715-3725-3735-3745-3755-3765-3775-3785-3795-3805-3815-3825-3835-3845-3855-3865-3875-3885-3895-3905-3915-3925-3935-3945-3955-3965-3975-3985-3995-4005-4015-4025-4035-4045-4055-4065-4075-4085-4095-4105-4115-4125-4135-4145-4155-4165-4175-4185-4195-4205-4215-4225-4235-4245-4255-4265-4275-4285-4295-4305-4315-4325-4335-4345-4355-4365-4375-4385-4395-4405-4415-4425-4435-4445-4455-4465-4475-4485-4495-4505-4515-4525-4535-4545-4555-4565-4575-4585-4595-4605-4615-4625-4635-4645-4655-4665-4675-4685-4695-4705-4715-4725-4735-4745-4755-4765-4775-4785-4795-4805-4815-4825-4835-4845-4855-4865-4875-4885-4895-4905-4915-4925-4935-4945-4955-4965-4975-4985-4995-5005-5015-5025-5035-5045-5055-5065-5075-5085-5095-5105-5115-5125-5135-5145-5155-5165-5175-5185-5195-5205-5215-5225-5235-5245-5255-5265-5275-5285-5295-5305-5315-5325-5335-5345-5355-5365-5375-5385-5395-5405-5415-5425-5435-5445-5455-5465-5475-5485-5495-5505-5515-5525-5535-5545-5555-5565-5575-5585-5595-5605-5615-5625-5635-5645-5655-5665-5675-5685-5695-5705-5715-5725-5735-5745-5755-5765-5775-5785-5795-5805-5815-5825-5835-5845-5855-5865-5875-5885-5895-5905-5915-5925-5935-5945-5955-5965-5975-5985-5995-6005-6015-6025-6035-6045-6055-6065-6075-6085-6095-6105-6115-6125-6135-6145-6155-6165-6175-6185-6195-6205-6215-6225-6235-6245-6255-6265-6275-6285-6295-6305-6315-6325-6335-6345-6355-6365-6375-6385-6395-6405-6415-6425-6435-6445-6455-6465-6475-6485-6495-6505-6515-6525-6535-6545-6555-6565-6575-6585-6595-6605-6615-6625-6635-6645-6655-6665-6675-6685-6695-6705-6715-6725-6735-6745-6755-6765-6775-6785-6795-6805-6815-6825-6835-6845-6855-6865-6875-6885-6895-6905-6915-6925-6935-6945-6955-6965-6975-6985-6995-7005-7015-7025-7035-7045-7055-7065-7075-7085-7095-7105-7115-7125-7135-7145-7155-7165-7175-7185-7195-7205-7215-7225-7235-7245-7255-7265-7275-7285-7295-7305-7315-7325-7335-7345-7355-7365-7375-7385-7395-7405-7415-7425-7435-7445-7455-7465-7475-7485-7495-7505-7515-7525-7535-7545-7555-7565-7575-7585-7595-7605-7615-7625-7635-7645-7655-7665-7675-7685-7695-7705-7715-7725-7735-7745-7755-7765-7775-7785-7795-7805-7815-7825-7835-7845-7855-7865-7875-7885-7895-7905-7915-7925-7935-7945-7955-7965-7975-7985-7995-8005-8015-8025-8035-8045-8055-8065-8075-8085-8095-8105-8115-8125-8135-8145-8155-8165-8175-8185-8195-8205-8215-8225-8235-8245-8255-8265-8275-8285-8295-8305-8315-8325-8335-8345-8355-8365-8375-8385-8395-8405-8415-8425-8435-8445-8455-8465-8475-8485-8495-8505-8515-8525-8535-8545-8555-8565-8575-8585-8595-8605-8615-8625-8635-8645-8655-8665-8675-8685-8695-8705-8715-8725-8735-8745-8755-8765-8775-8785-



Widths: 80' or 100' (48' @ 20' or 25')



Types 33A & 34B
Widths 60-64-68-70-74-80-84-90-92-100-102-106-112-120



TYPE 4V
Width 104' Lengths Multiples of 16-0' plus or Minus 2'



SAWTOOTH
Widths - Any Multiple of 28'-0"
Lengths - Multiples of 11'-0" plus or minus .20"

Truscon Steel Company, Youngstown, Ohio
Send Catalog and information on Truscon Standard
Buildings. Type _____ Width _____ ft.
Length _____ ft., Height _____ ft.
To be used for _____
Name _____
Address _____


W

 WESTINGHOUSE
ELECTRIC

Community Development

Adequate transportation facilities are positively essential to the growth and development of every community. You, and all good citizens, are vitally interested in the constructive development of your Street Railway Company. It serves the people who deal with you, who work with or for you; it serves your friends, your neighbors, your fellow citizens. Your success and your good pleasure depend, in no small degree, on the ability of your Electric Railway Company to serve those who live and work in your community. Familiarize yourself with the problems your local Electric Railway Company is trying to solve. They cannot be solved without your constructive help and interest.

The common aim of your Street Railway Company and you is to make it possible for your city to grow, not in size alone but in resources and attractiveness; to make for better living, cleaner living, *higher living* for every one. For it

is Electric Traction that, first of all, brings a community into real progressive existence and that makes its expansion a possibility.

It is good business for you to take a financial interest in this question. Every home served by an Electric Railway should own one of its bonds or a share of stock. The truth is that the Street Railway should really be owned by the individuals who make up the public. Traction securities, backed up by community interest and support, should be, and are, a good investment.

The resources of the Westinghouse Electric & Manufacturing Company, which have made possible the wonderful developments in electric power, the steam turbine, the transformer, the rotary converter, railway motors and thousands of other electric improvements, stand as a mighty insurance for the continued development and progress of the Electric Railway.

WESTINGHOUSE ELECTRIC & MANUFACTURING COMPANY

Offices in all Principal Cities • Representatives Everywhere

Westinghouse



The Kroyer Motor Company plant at Stockton, California. An Austin built plant.



National Lamp Works, Oakland, California. One of the fifty-seven buildings The Austin Company has built for the General Electric Company.



Rich Steel Products Company's first Austin building erected in 1920. Since the contract for the original building, Austin has received two repeat contracts.



Ulmer Machine Company, Porterville, California. An Austin No. 3 standard building.

Build in California

Industrial California! It represents today one of the country's most rapidly growing industrial markets. With its increased population, its rapidly expanding commercial interests, its great export trade, California represents a rare opportunity for manufacturers in practically every industry.

Here is a great field for the Eastern manufacturers of products having Pacific Coast distribution. Branch plants and warehouses have the greatest of competitive advantages in this field. *This is the time to build in California.*

The Austin Company has built for its many clients on the Pacific Coast for more than ten years. Complete plants, factory buildings, warehouses, commercial buildings and offices of Austin design will be found in every section of this great country. A few examples of Austin performance on the Pacific Coast are shown on this page.

Use This California Organization for Your Western Building Operations

You can have the advantage of a complete Austin construction organization in California. Austin is prepared to render engineering, building and equipment service at any point on the Coast. With building costs at the minimum average level and business opportunities exceptionally good, this is an ideal time to extend manufacturing and warehousing operations. Use the coupon today. Address our Los Angeles offices or any of our Eastern offices.

THE AUSTIN COMPANY OF CALIFORNIA
702 Pacific Electric Building, Los Angeles, Cal.

THE AUSTIN COMPANY, Cleveland
Industrial Engineers and Builders

CHICAGO DETROIT PITTSBURGH NEW YORK
PHILADELPHIA DALLAS ST. LOUIS

AUSTIN



Los Angeles Harbor
Commission Pier,
erected by The Austin
Company.



THE AUSTIN COMPANY, ()
Gentlemen! We would be interested in having a copy of your circular "Facts
You Should Have Before You Build Your New Building". It is understood
that this request places no obligation on you.
We contemplate the erection of a branch warehouse at
We contemplate the erection of a plant
Firm wide long stories high
Individual Address

N. B. May

Hotels Statler

Buffalo - Cleveland - Detroit - St. Louis

A new Hotel Statler (1100 rooms, 1100 baths) is now building at Buffalo—to open in the spring of 1923; 500 more rooms will be added later.

Rooms that are Cleaned Clean

A Sidelight on Hotel-keeping

By E. M. STATLER—being one of a series of ads embodying instructions to Statler employees.

IN a Statler-operated hotel you live in rooms as clean as those in your own home. That is because the people who take care of these rooms are trained to be conscientious about their work, and because supervision by the housekeeping staff is thorough and tireless.

The kind of cleanliness upon which we insist comes only by much hard work, much inspecting by superiors, and, above all, a real *interest and pride in results* on the part of those we make responsible. To provide mops and dustcloths and the other tools of cleanliness is easy; but to keep hotel rooms clean—really clean—is far from easy.

So here, as elsewhere throughout these hotels, we have to *depend upon our employees* for your satisfaction. The most attractive and completely-furnished room we can give you will be unsatisfactory if the maids and housemen have been careless about their work. You get "personal service," you see, from employees with whom you have little or no personal contact; and it may therefore interest you to see some of those things we require of the workers in our housekeeping departments—things which make their jobs something more than a certain number of hours at certain kinds of impersonal tasks.



Instructions to the Housekeeping Staff in the Statler-operated hotels

"CAN you imagine the mistress of a private home being careless—or letting you be careless—about the way the guest-room is taken care of. Well, remember that every room in this hotel is a guest room, and that we have even more obligation to our guests in that connection, than the hostess of a private home has to hers.

"No room is clean until it is *perfectly* clean. No room is clean that has dust on the tops of picture frames or on the shelves of the closets, or that has finger marks on the mirrors, or any other of the little proofs that the cleaner didn't care about anything except getting through and getting out. We won't keep maids who don't care.

"You will always, of course, be prompt and cheerful and obliging in caring for a request from any guest. If you are asked for a hot water bottle, or a vase for flowers, or an overnight kit, let the guest see that it is a pleasure to help make him (or her) comfortable.

"Be guided *exactly* by your detailed instructions on bed-making and caring for the room's equipment.

"There will be a moment when the most important thing in that room, to the guest, is whether the ink-well is *filled* and the pens are right. If you're forgetful about those, or some other small details, you aren't good enough for your job.

"There will be another moment when the only thing that matters, in the whole hotel, is whether there are clean towels or not.

"And those things, which go so far toward determining whether our guests shall be pleased and shall like us, or displeased and dissatisfied, are things for which you are responsible. Never forget that—nor that carelessness is one of the things which we can't overlook, and are very slow to forgive.

"And never forget that courtesy and kindness and helpfulness are things that both our guests and your fellow-employees are entitled to, whatever the circumstances or however you are feeling. Those qualities are always insisted upon; and there is nobody in this organization, from the top down or the bottom up, who can afford to be discourteous or sullen or unobliging."

E. M. Statler

Hotel Pennsylvania

Opp. Pennsylvania Terminal, New York. *The Largest Hotel in the World*

How Manufacturers Reduce Cost of Building 15%

The Application of Mill Construction to Factory Building.

Also Reduces Carrying Charges, Taxes, Insurance

MANY a business man has, in the last twelve months, come to realize the true meaning of costly factory buildings.

Extravagant building investments, entailing high, fixed overhead, are proving an almost insurmountable handicap in the present intensely competitive period.

A big price to pay for yielding to fear of fire, instead of investigating the causes of fire and the real facts of fire protection.

And entirely unnecessary when the application of a single established principle of commercial building construction, coupled with adequate sprinkler protection, might have saved them 15% on building investment, 15% on interest carrying charges, a considerable amount on taxes and as much as 75% on actual insurance costs.

NO wonder industrial executives are, more and more, figuring necessary industrial building in terms of fire resistant, sprinklered "mill construction."

They are finding that insurance rates are much lower than on so-called fire-proof buildings, unsprinklered, while the rate is, at the same time, applied on a lower valuation.

It is, after all, not buildings so much as contents that consti-

tute fire hazard; and trying to reduce fire hazard by increasing building investment only piles up the overhead, and unnecessarily increases costs.

Engineers and architects, long familiar with the principle of fire-resistant, sprinklered "mill construction," yet obliged to limit its use because of lack of sufficient uniformly safe timbers with which to apply it, are now unhesitatingly recommending it.

MANUFACTURERS who have assumed that so-called fire-proof building is necessary to lower insurance rates are surprised to discover that thousands of the greatest mills in the country—sprinklered "mill construction" buildings, in which brick and wood have been intelligently combined into factories of great utility and adaptability—are paying today lower insurance costs than almost any other class of insurance risks and that their losses over a recent three-year period have averaged only 35 cents per \$100.00 of insurance written.

*Let us make every day
"Fire Prevention Day"*

Timber values are no longer a matter of guesswork.

The work of testing engineers, scientists and lumber experts, extending over a period of years, now makes possible the selection of timbers for "mill construction" based on uniform values.

IT is now possible to secure selected timbers for the most exacting industrial uses from the Douglas Fir Mills of the Weyerhaeuser organization or from its great distributing plants in the heart of the Eastern and Mid-western markets.

Just what the principle of fire-resistant, sprinklered "mill construction" is as applied to commercial buildings, and just why Weyerhaeuser selection of timbers now makes this principle practical of application, is told in two booklets sent free on request.

Weyerhaeuser Forest Products are distributed through the established trade channels by the Weyerhaeuser Sales Company, Spokane, Washington, with branch offices at 208 S. La Salle St., Chicago; 1015 Lexington Bldg., Baltimore; and 4th and Roberts Sts., St. Paul; and with representatives throughout the country.



Washington, D.C., Plant of the Greiner-Flagg Tanning Co. Frank D. Chown, Inc., Engineers and Architects.
Illustrating the architectural possibilities of "mill construction" in modern factory building



WEYERHAEUSER FOREST PRODUCTS
SAINT PAUL • MINNESOTA

Producers of Douglas Fir, Pacific Coast Hemlock, Washington Red Cedar and Cedar Shingles on the Pacific Coast; Idaho White Pine, Western Soft Pine, Red Fir and Larch in the Inland Empire; Northern White Pine and Norway Pine in the Lake States





BLAZING NEW TRAILS!

No longer do road makers resort to the old-fashioned plow and horses to grade the country's highways. Great fleets of trucks with immense hauling power, equipped with Miller Geared-to-the-Road flat top tires, carry loads for miles by collapsible motor dump wagons. Jansen & Shaefer, of Pekin, Ill., adopted Millers after knowing the strenuous service tires must undergo. And now their tire cost is at the minimum.

Miller Tires

REGISTERED U. S. PAT. OFF.

Geared-to-the-Road

MILLER again leads in the development of a long mileage in tires. The flat tread is designed to meet all load conditions. For economical hauling is a certainty on Miller Geared-to-the-Road Tires.

Here are some advantages.

1. Even and wider distribution of load on the tires.
2. Greater road contact from flat tread.
3. Less tread wear per mile.
4. More even distribution of strain.
5. Better traction.
6. More miles.

It has cost millions to perfect tires in this way. Hundreds of methods are tested. And twice a year on the average some new improvement is accomplished.

More Cushion—Less Expense

Extra cushioning lengthens the life of the truck. Eliminating vibration and crystallization of parts reduces repair bills. Fragile cargoes and perishable goods are carried with little danger of breakage or deterioration. Traction in any weather eliminates loss of time, cuts down expense and prevents trucks from being stalled on bad roads.

A Tire For Every Job

Miller can now meet Heavy Duty requirements for $\frac{1}{2}$ to $3\frac{1}{2}$ -ton trucks in all sizes from $30 \times 3\frac{1}{2}$ to 44×10 . Each size is perfectly made to deliver the greatest service of any tires now on the market.

THE MILLER RUBBER COMPANY OF NEW YORK, Akron, Ohio, U. S. A.

Through the Editor's Spectacles

THE CONTEST for a sentence that will best describe The NATION'S BUSINESS continues to rage. From the rate at which suggestions are coming in we are forced to assume that our offer of a life subscription to the winner is making an appeal that cannot be resisted. The offer goes, even if the lucky contestant turns out to be a centenarian. We glow with worthy pride at the thought of him living on and on, past motoring, past golf, past work, ending at last in honorable retirement. We see him seated in the deepest chair beside the sunniest window, removed from the slings and arrows of active life, with his favorite reading spectacles focused on the pages of the current NATION'S BUSINESS.

Getting back to more prosaic matters, we give below some of the latest suggestions. T. J. Patton, of Pittsburgh, sends in this:

The NATION'S BUSINESS—A magazine devoted to the upbuilding of American industry through the cooperation of active, influential American business men, who subscribe to and read the magazine with unfailing regularity, having in mind always the promotion of the nation's progress through an official organ of the highest type of efficiency.

T. A. Busbee, of the United States Fuel Corporation, Chattanooga, goes in for shorter ones:

The Vista of the Nation.
The Vista of the Country's Business.
Visualizes the Country's Business.
The National Periscope.

And here are two from Dr. John L. Sageron, of Johnstown, Pa.:

The Nation's Business Is My Business.
The Nation's Business Is Your Business.

An anonymous contestant submits:

The NATION'S BUSINESS—A monthly periodical disseminating concise and timely information calculated to stimulate and strengthen the industries and the moral poise of the country.

In explaining his anonymity he says that one reason for not signing his name is that he doesn't want our magazine for nothing. "The salt would lose its savor," he says, "and I want to continue enjoying your magazine from cover to cover."

Mr. Norman Sharp, of the Crumley-Sharp Hardware Company, Atlanta, thinks it is unfortunate that we made this offer of a free life subscription. He contends that the magazine itself is slogan enough and he cannot conceive how anyone who has read a copy "could want it for nothing"; he adds that he is perfectly willing to pay for the magazine for the rest of his life.

MR. SHARP turns aside from consideration of the slogan to express his strong commendation of Colonel Delafield's article in our April number on cancellation of the inter-allied debt. "I wish to suggest," he writes, "that in some way you get a copy of this into the hands of every congressman and senator."

But cancellation would mean, in the opinion of Joseph F. Eastmond, of 128 Pearl Street, New York City, a partial repudiation of American liberty and victory issues. He thinks these bonds would fall to half the par value and that American citizens would thus

pay the European indebtedness (which is roughly about one-half of our present outstanding debt) while European nations were paying their own bonds at their face value. Mr. Eastmond adds:

If this burden be transferred from the European peoples to the American people, it will mean that Americans will have to work and receive for their own benefit only a portion of the product of their labor, and contribute the balance to the settlement of these obligations.

We must carefully consider whether or not American people would be willing to do this. I think that the present much advertised strikes in the coal mines and the textile industry are the working man's answer to this question, they not being willing to have their share of the product of their labor reduced.

Karl H. Hyde, of the City Coal Company, Attleboro, Massachusetts, disagrees with Colonel Delafield's contention that we should regard the debts as part of our war expenses. "I believe," he writes to this magazine, "that the European countries had for

years been conducting their affairs in such a manner as to make war inevitable, and that their expenses should be borne by them." But he adds that we would better cancel cash payments in return for "guaranteed equal commercial opportunities with the debtor nations."

A SHIPPING man who visited our office the other day was very much interested in the story by Harvey J. Sconce on how a dirt farmer feels about the shipping subsidy. Our friend pointed out that it was encouraging to see a farmer who realized the necessity for a merchant marine.

"It has struck me as a curious contradiction," he observed, "that most of the mid-western farmers are greatly stirred up over the need for improving the St. Lawrence so that deep-sea ships can load grain in the great lakes, but as a usual thing they don't care to do anything to insure that a proper number of these ships shall be under the American flag."

25 Cents a Copy

\$3.00 a Year

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Vol. 10

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IN the debate about a governmental subsidy for shipping we hear it said frequently that our prosperity is due in large measure to our railroads, which were subsidized with land grants and by public subscription. A friend of ours points out that Price Collier, in his book on "The West in the East," perceives an added value in them:

One has only to see something of these vast stretches of territory [in China] without railroads, without telegraph offices, and with few post offices, to learn how much we owe our own railroads for their efficiency as moral agents. Leaving out of the count any question of commerce, the United States today would be a great federal, political and moral chaos without railroads; and yet I have never heard them alluded to as having any ethical value.

May we suggest of shipping that its "imponderable" value is educational? It serves to widen mental horizons.

E. A. DALEY, secretary-manager of the Belleville (Ill.) Board of Trade, came across a sentence in Clifford Albion Tinker's story, "Air Transport for America," in which it was stated that Scott Field was near Chicago. Mr. Daley points out that Scott Field is at Belleville and that Chicago is 283 miles north by air line. We hasten to make amends. We cannot understand how Mr. Tinker made the error unless, it might be, that 283 miles is nothing to a man who has done so much of his traveling by air.

NEVER have we undertaken a great moral movement, but we see the opportunities widen before us. In the March number of THE NATION'S BUSINESS we had something to say on waste words in business letters. There was a rush to rally to our support.

Now comes our distinguished friend, Dr. George Otis Smith, director of the Geological Survey, with a plea for plain language in his learned profession.

Why do tricks with words? Is thought the better for overdressing? "I, too," says Dr. Smith, "have had the unhappy experience of stripping the technical words from what looked like a good-sized geological deduction only to find that the naked idea was rather small and not my own." (Dr. Smith in this sentence uses 26 monosyllables in 34 words.)

Here are some of the sins against words which Dr. Smith has compiled:

"Spaces of discontinuity"—cracks or crevices.

"Argillaceous stratum"—clay.

"Arenaceous deposit"—sand.

"Intense plication"—close folding.

"Littoral margin"—shore.

"The superincumbent material consists of a stratum of calcareous composition"—the overlying bed is limestone.

When it comes to "autogenous hydrography on a vertically heterogeneous terrane," Dr. Smith declines to translate.

Even the writer who uses oversize words unwittingly sees the need of putting his thoughts into plainer English, and we read in Survey manuscripts:

"Disintegration is slow in these rocks and they do not break up rapidly," or

"Disseminated grains scattered through the rock."

As Dr. Smith says:

"Disseminated" and "disintegration" please every ear, while the mind is helped by "scattered" and "break up."

But perhaps the best instance of piling up words is this:

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We have been invited to devote weeks to almost everything from sausages to suspenders, and perhaps we shall need a "plain English week."

As a distinguished teacher of diseases of the eye used to say in starting one lecture: "Ophthalmological nomenclature is the essence of polysyllabic idiocy."

THE official of a coal company in Cleveland sends us a copy of warnings against useless expressions which he furnishes to members of his concern. Some old offenders are ruthlessly exposed. These instructions are so full of common sense that we are reprinting them in full. G. W. Greenwood, of Dunbar, Pa., is surprised that we didn't know that a good deal had already been done along this line and he asks Charles Henry Macintosh, editor of *Personal Efficiency*, to send us copies of his magazine which deal with this topic.

A WASHINGTON friend of ours, who dabbles in a small way in foreign bonds, called our attention the other day to the cost of brokerage service.

He had bought through a New York House a bond which, when he decided to sell it, he offered through a Washington firm; but he was told that owing to the fact that a certain interest coupon had been detached the bond was irregular. Not long after this he had occasion to be in New York, and he called on the broker through whom he had bought the bond. The official in charge of foreign securities assured him that the bond was a good delivery and offered to dispose of it for him. The two discussed at some length the issue and others by the same country. The conversation lasted perhaps a half hour.

A day or two after his return to Washington, our friend received a check covering the sale of his bond, with a note "Thank you for this business."

"What are they thanking me for?" he demanded. "A high priced executive had given me a half hour of his time, and, since the bond was not listed on the New York Stock Exchange, some special effort must have been required to dispose of it. The stenographic, clerical and accounting work was to be reckoned with. And, what do you suppose was the commission for all this? One dollar and twenty-five cents."

At this rate, we take it, no one is going to accuse the broker of profiteering.

WE cannot remember our eight-year-old ambition, but we fear it ran along the lines of driving a fire engine. We know our tastes in literature were low. We took small stock in Horatio Alger's heroes who swept out offices from 6 a. m. to 7 p. m. and rose in life until they sat on a high stool and added figures from 7 a. m. to 6 p. m. which gave them two more hours a day to devote to intensive study of advanced bookkeeping.

Modern small boys may be different. We cherish a letter lately received from an eight-year-old who had read the article on the Eskimo Pie Magnate. He writes:

Do you mean to say that this man gets \$15,000 per day. I think you're a little bit wrong, because some people on Sundays don't eat sweets. Have you seen the picture under it? I wish I could do that.

The last sentence convinces us that boy nature still runs true to form. Who wouldn't like to draw pictures and even get paid for it?

M.T.

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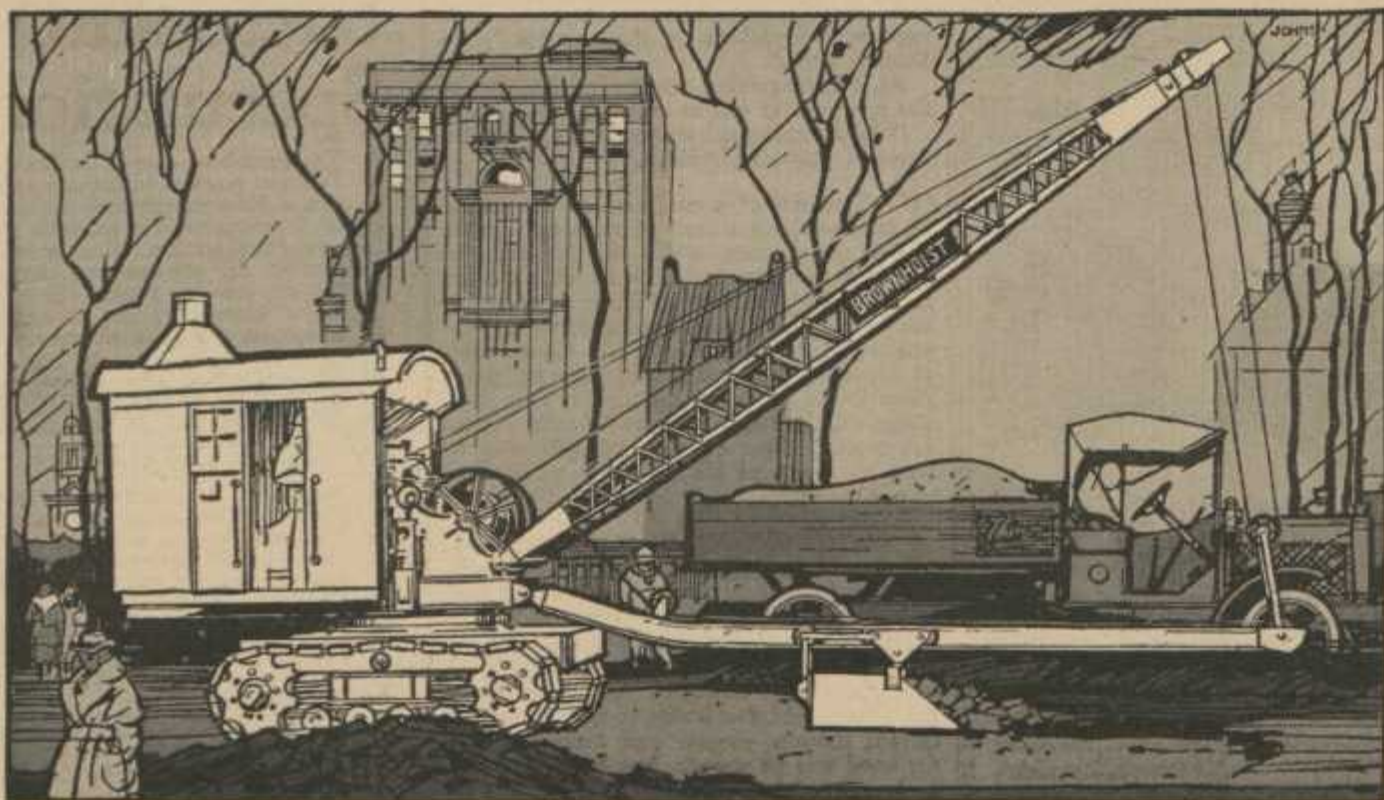
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M A T E R I A L H A N D L I N G M A C H I N E R Y

THINGS SEEN No. 1—Early Recollections and My Start in the Lumber Business

By ROBERT DOLLAR

DURING a visit to my native Scotland in 1884 I crossed over to Ireland and there saw the first electric railroad ever operated. It was at Port Rush and ran to Bushmills in the north of the island.

About three miles down the track we found a car stuck. They could not get it to go either forward or backward. I was very anxious to see it under operation, so I asked the brakeman and conductor how long before they would start.

"It may be an hour," said one of them, "and it may be a month."

He added that they had sent for Sir William Thomson, who was the only man they knew who could make it run; when he came they would immediately get it going. Their confidence in Sir William proved to be well founded—it took him only a few minutes to get the car started.

What progress has been made in electricity since that time! What changes I have seen in the many years I have devoted to business!

Within my recollection the first Atlantic cable was laid; the telephone was introduced; wireless has been developed—both wireless telegraphy and now the wireless telephone; improvements in the use of steam have been very great; since I was a boy the propeller has been introduced and has succeeded the paddle steamer.

The first steamers were fitted with sails and depended to a great extent upon them for propulsion. Now we do not see a sail on a steamer. Internal-combustion engines have been introduced in navigation but, because of their complicated machinery, progress has been slow. And navigation of the air has begun.

The tonnage of ships has changed very much. Twenty years ago the lumber was all carried to China in small sailing vessels; eighteen years ago the first of our steamers carried a full cargo of lumber at rates much lower than sailing vessels were getting. We had great difficulty in getting anyone to give us a steamer cargo, so I came to the conclusion that if we were to stay in the business we must furnish our own lumber cargoes. It was fortunate that we had to do this as

An Introduction

ROBERT DOLLAR has been called the most interesting business man in the United States. In spite of his seventy-eight years he is still the active head of a shipping and lumber business that circles the earth. The story of his life has this universal appeal—he was a poor boy with little schooling who emigrated to America and by hard work rose to great wealth and influence. Like Carnegie, Captain Dollar came from Scotland, and like the great ironmaster, he grew to realize that wealth imposes obligations—both moral and financial.

Since his headquarters are in San Francisco, Captain Dollar's genius is better known on the Pacific Coast than on the Atlantic. He is popularly credited with being the inspiration for Peter B. Kyne's fiction character "Cappy Ricks." Although there are many differences between the peppery "Cappy" and his more substantial contemporary, both possess the faculty of preserving a perpetually fresh outlook on the problems of their business, and both seem to know which way the cat is going to jump before the cat itself knows.

From the basis of a diary which he has kept since a young man, Captain Dollar has written four stories for us. The first is presented herewith, the second has to do with shipping, the third deals with China, and in the fourth he touches such interesting and timely subjects as government interference in business and prohibition. Captain Dollar consented with some reluctance to the publication of the articles, agreeing at last in the hope that his experiences might be of service to less seasoned executives now at grips with a difficult depression.

We hasten to reassure any reader who might assume that he is going to be preached at. The stories are so rich in adventure and humor that it is a great satisfaction to pass them along to a wide audience through the columns of our magazine.

THE EDITOR

merce would move out of the Mediterranean into the Atlantic, they would have locked him up as a lunatic!

Now I say that the young business men of today will live to see the center of world commerce on the Pacific Ocean, and I am not dead sure but what I will live to see it myself!

My life and the opportunities I have developed brought me to the shores of this ocean. In getting a start in life, no doubt many have had as hard a time as I, but few have had harder experiences. I was born in Falkirk, Scotland, in 1844. That was an eventful year for my mother's family.

My uncle, John Melville, was master and part owner of the ship *Helen Mar*, and my grandfather was the other owner. Another uncle, Alex Melville, was first officer and Robert Melville was carpenter. In the early part of 1843 she got a cargo from Bombay to Calcutta. Since there was no freight offering there, she was laid up, and after a complete overhauling she got a cargo for London in the early part of 1844. A Glasgow ship sailed in company with them. This ship was totally dismantled in a violent typhoon that struck them, but with a jury rig was able to make port. The *Helen Mar* was never heard of after. The supposition is that she foundered with all on board.

My father was manager for the lumber establishment of Robert Melville & Company, and the downstairs of the house in which I was born was used as the office. Later we moved into a house with a garden, and on the first visit to my native land, after having been away thirty-five years, I found the garden had been turned into a lumber yard and a lot of timber had been piled against the house. To my astonishment I found it to be timber I had taken out on the shore of Lake Huron and sold in Quebec, not knowing where it was disposed of. Every stick of it had the Dollar mark on it!

So you see that I came by both the shipping and the lumber business honestly. I remember well my first voyage; it ended disastrously. I got a large washtub and floated it in the Forth and Clyde Canal. I had a stick for an oar, but the lines of my vessel

now we have a permanent business for our steamers—we make our own cargoes.

Twenty years ago a 6,000-ton deadweight steamer was a big one. Now we think of 10,000 or 12,000 tons deadweight as about the right size and 12 knots as about the right speed. The *Robert Dollar*, the last steamer we bought can carry 16,000 tons at a speed of 12 knots. It looks as if we had almost reached the limit in the size of steamers, but in these years of rapid progress it is not safe to prophesy.

What would people have said in the days of Columbus if someone had got up and declared the center of world commerce would one day be the Pacific? The idea that the Mediterranean would cease to be the great highway would have seemed impossible to them. If anyone had declared that com-

did not make her easy to steer, and when I tried to propel her the tub only turned round and round. I drifted away from the shore and, becoming frightened, made a great outcry for help. My father was in a lumber yard nearby and, hearing my S. O. S., came to see what the trouble was. He rowed out in a boat and rescued me and then proceeded to give me a first-class licking.

When old enough I was put in the public school. The teacher had only one arm, but that did not seem to be any handicap when it came to thrashing the boys. He used a cane, and he could make us dance the highland fling to perfection. Thank providence he had only one hand; we could never have stood two! Thrashings were an essential feature of an education those days—and I must have gotten my share.

The First Job

I LEFT school when I was twelve and started to work in a machine shop tending a lathe. In those days there were no self-feeding lathes, and small boys were used for that purpose. I recollect the first Saturday night I got paid for a week's work with half a crown (60 cents) and how I ran home all the way and gave the money to my mother.

My mother died about this time, and my father took to drinking occasionally to drown his sorrow. This brought about the necessity for our migrating to Canada. It made a strong temperance man out of me, as I vowed I would never touch liquor as long as I lived. This vow I have religiously kept, and to this resolution I attribute the most of my success in life.

In April, 1858, we sailed from Glasgow for Quebec on the sailing ship *Anglesia* and we arrived in Ottawa the last of June. I got employment in a stove mill. The eight-hour law had not been enacted at that time, so we worked twelve hours a day. I think I received \$6 a month. After working in different mills until 1861, I hired with the firm of Hamilton Brothers to go to one of their lumber camps or "shanties," as they were called. Mr. Hiram Johnson of Ottawa City, who is still alive, gave me the job at \$10 a month. The foreman was Sandy Kingsbury, a big jolly man and a good foreman. He put me to work helping the cook—"chore boy," as the job was called.

We left Ottawa in bark canoes, and after a hard trip we arrived at our camp location. We had the buildings up and were ready to put on the roofs when we were visited by a party of skunks. One night, when the rest were at supper, I was left outside to see that no skunks bothered the diners. I saw one of the animals go into a hollow log. Running quickly I plugged up one end of the log and, putting a pole in the other end, I called to the foreman that I had one. He came out with his gun and I told him to take out the plug and look in the log. As he did this I gave the skunk a punch with my pole—!

I had to take to the woods and did not dare to return till the others were asleep. The next morning the foreman gave me a good cuffing for my fun, to the delight of the other men.

In 1863 I was sent to the mouth of the Gatineau River to help raft the logs out. A tug towed the logs from Ottawa City to Hawkesburg where the mill was. It was very hard work and we got little sleep. About this time my brother and I bought a farm. Our combined wages were only \$26 a month, out of which we saved enough to

buy the land. It took us three years, I think. At the present state of living this would appear incredible, but it is a fact, nevertheless.

The following summer an event happened that probably hastened my getting along in the world. I left school and went to work when I was twelve, and I realized that I must have some education, and therefore after working hours I started to write and figure on birch bark. While cooking I had gotten hold of an old account book and used it to practice in. One day the manager and treasurer of the company came in, but I was so busy that I did not hear them. They asked me if I had nothing to do, and when I told them my work was done they saw that everything was in order, so they examined my figures. I showed them and was ashamed that they were not better. After questioning me a good deal they went off.

In those days we hired by the year, and when it was time for me to return to the woods for the next year I went to the office to engage with them. I was told that they had a better job for me, and I was made clerk in a small camp for a French foreman. It was not much of a rise, as I worked all day and did what little writing there was to be done at night. This camp was 150 miles from the nearest inhabitants, except Indians. I was the only English-speaking person in the crew, and it became necessary for me to learn French as quickly as possible. By the end of the season I could talk the language very well. Unfortunately I learned by sound and, as no one was there to teach me to read or write it, I never learned the language thoroughly, though I could talk it perfectly.

In 1866, when I was twenty-two years of age, I was put in charge of a camp of forty men. About this time I started keeping a diary and have kept one constantly up to the present time. I find it very convenient in looking up places and dates.

Often I had thought that if I could only get up to \$26 a month the height of my ambition would be realized. This ambition was soon satisfied, as I got \$26 in the fall of the year by taking charge of a camp. A foreman in those days had to be a jack-of-all-

trades. One of my men got a leg broken. Since there was no one of us who had ever set a broken bone I had to do it myself. I was fortunate enough to do it right, with the exception of a weight to keep it from shrinking, with the result that the man had a leg one inch too short. My years in the woods were full of such experiences; they made us strong and self-reliant.

By 1872 I had saved some money. I left the Ottawa River and went to a new country, the Muskoka District north of Toronto. In partnership with Mr. Johnson, we bought timber on land owned by farmers and started lumbering for our own account. Business was booming and we did not sell our logs, expecting to get a higher price when we would deliver them at market the following summer. But along came Black Friday in New York, which paralyzed business not only throughout the United States but in Canada as well. When we came to sell our logs we made a loss of what little money we had put in as well as about \$5,000 more. I recall what a friend said to me at that time which I did not appreciate. It was:

"Happy and lucky is the man who fails when he is young."

The Lessons of Adversity

THE loss turned out all right in the end, but it was hard medicine to take and it was years before I understood the meaning of my friend's words. My partner and I had to go to work for wages to pay our debts. We divided up the indebtedness, each agreeing to pay half. It took three years of hard work for me to get even with the world again. The next partnership I went into—after I had paid all my debts—was a success from the start, as the experience of previous years had made me extremely cautious.

In 1874 I got married, and my wife and I lived at Bracebridge, Ontario. From this time I date the commencement of my success in life, as I was fortunate in getting a good helpmate.

The following years of lumbering in Canada were full of action, and often of danger. At one time I got separated from the party I was with during a blizzard. There were two matches left in my box. I got behind a rock out of the wind and was pleased beyond measure when the first match started the fire. I rejoined the party the next day much to the surprise of the other men, who were sure I had perished. Another time I was saved by a squaw who gave me enough to eat to get back to civilization.

I started in 1880 getting out square timber for the English market and became much interested in foreign trade. We could not find enough big timber for this trade, and I decided to shift operations to Michigan, where the desired sizes of trees could be found. So in July, 1882, I moved to that state, making headquarters at Marquette. At a place afterward called Dollarville I built a sawmill which I sold out after running it five years. This mill had a long and successful career and manufactured lumber for over thirty years.

On the lookout for timber I went over the northern part of the Ontonagon River country. I walked through the woods of Florence, Wisconsin, having two Indians with me. The trip took us three weeks. At that time the whole country was unoccupied, not a person living in it; now it is quite a farming and agricultural district and has turned out to be the great mineral belt of Michigan.

Along with my other activities in Michigan I started up business for the British



Captain Dollar

Canadian Lumber Company. To say that I was busy does not half express it. To start a corporation of the magnitude of this concern, as well as attend to my own affairs, was a great undertaking. At this time there were in Michigan great tracts of government land for sale at \$1.25 an acre. I invested every cent I had in this land, and it proved to be a good investment.

I remember well the 4th of July celebration at Dollarville in 1883. As usual, the men got filled up with bad whisky and there was a free-for-all fight. Two of the worst offenders were arrested, but there was no lock-up, so the justice of the peace came to me to know what to do with them. I saw an open box car on the railroad siding.

"Put them in," I said, "and lock the door."

This was done. Next morning the justice reported that a freight train had taken the car to Marquette, 100 miles distant. The sequel was that the fellows woke up in the morning and a brakeman opened the door. When told that they were in Marquette they took to their heels and disappeared in the town; we were rid of them, at any rate.

We remained in Michigan until 1888. The severe, cold weather was telling on my health, and it became necessary to go to a warmer climate. We decided on

California, making our home at San Rafael while our business headquarters were San Francisco. It took three or four years to finally close our business in Michigan and to sell the

land, which amounted to over 20,000 acres.

My brother and I bought, with Mr. Westover, what is called the Meeker Tract in Sonoma County—the largest tract of redwood remaining in that county. Here we started lumbering and manufacturing. A part of the land was sold later to the Bohemian Club of San Francisco, which they still use for their grove. I later sold out my interest to my partners.

I later started a mill at Usal, Mendocino County, and ran it for six years. During that time I found it difficult to get vessels to carry our lumber, so I started investing in vessel property. I contracted for several vessels and also became interested in a large mill at Mukilteo, near Everett, Washington, to supply cargoes for our steamers to carry to China and the Far East. And that is how I got into the shipping business.

I find in my diary for 1887 that during the year I traveled 31,141 miles; 29,000 by water, 1,150 by rail, and 991 with horses. This was considerably more than around the globe. It shows the amount of hustling it was taking to keep my business going.

EDITORS NOTE: This is the first of a series of reminiscent business stories by Captain Dollar. The second will appear in the June number.

Mr. Dollar Says—

THE TENDENCY toward antagonism between government and the individual are too great in this country.

The successful or enterprising man is likely to be looked upon as something to be suppressed and handicapped.

I do not think it would be just if my fellow-citizens regarded me with distrust.

Ships are the best missionaries of trade.

Trade with other countries means an exchange of commodities; we must buy as well as sell.

The man whose interest is in ships should be placed last on a list of those interested in foreign trade . . . the farmer first.

We (shipowners) do not ask any advantage over the other fellow, but we do ask for an even break.

There are hopeful signs that the government does not now want to put obstacles in the way of us fellows on the firing line in foreign trade.

Business men of today will live to see the center of world commerce on the Pacific Ocean.

National Chamber Convention

ALTHOUGH business conditions in the United States are now showing signs of improvement, leaders of business thought are concerned over whether a firm foundation is being laid for a continuing future prosperity. Realizing that the business prosperity of this country is bound up in the economic situation elsewhere, the Chamber of Commerce of the United States has taken as the subject for discussion at its tenth annual meeting, "European Conditions and Their Effect on American Business."

The convention will be held in Washington on May 16, 17 and 18.

Within the last two years there has been a great deal of discussion of the problems presented for American Business in the economic situation that obtains in European countries. There are involved the questions of the Allied debts, of reparations settlements, of paper currency issues, of exchange fluctuations, etc. The situation has been undergoing constant changes and the time has come, in the opinion of the Chamber, for a new inquiry into the facts for use in forming a basis of judgment as to what plans American business can make for future guidance.

All of the important features of the European situation will be put forward at the meeting for review. Each will be dealt with as it relates to the business situation at home. The Chamber has set out to get the best authorities obtainable on the subjects to come before the meeting. It is hoped that out of the meeting there will come a new understanding of the intimate economic relationship which exists between the nations and that the business interests of the United States will be in a better position to advise with regard to national commercial policies.

Among the high officials of the government who will address the convention are Secre-

taries Hughes and Hoover. Eminent bankers, manufacturers and merchants will deal with questions within their fields. An effort is being made to have present some of the foremost men of Europe to give first-hand information of the situation abroad, and Arthur Balfour, the Sheffield steel manufacturer, already has been obtained as a speaker. The agricultural situation in the United States and the dependence of agriculture on the European market will be dealt with by James R. Howard, president of the American Farm Bureau Federation.

Much of the work of the convention will be done in groups. The groups and the subjects for discussion in each are given as follows:

Foreign Commerce—Getting Foreign Business; German Competition; Getting Paid for Foreign Orders; the Great Markets for the Future for Specialties and for Staples.

Distribution (Merchandising)—Costs of Transportation and the Geography of Distribution; Chain Stores: Their Growth and Significance to All Types of Distributors; Readjustment: Its Course During the Last Year and How Distributors Have Met the Demand for Lower Prices; Facts and Fallacies; The Needs of Distributors for Accurate Information with Which to Dispel Many Mistaken Public Theories as to the Waste or Costs in Distribution.

Fabricated Production (Manufactures)—Lowering Costs and Stabilizing Production; Simplifying Variety and Standardization; Uniform Cost Methods as a Production Aid in a Given Industry; The Study of Business Cycles as Related to Business Control; The Manufacturing Situation Abroad and What It Means in Competition (Labor and Working Conditions, Raw Material Supplies, Transportation).

Finance—Agricultural Credits Situation; Regional Foreign Trade Banks; Currencies; Need for and Possibility of Restoring the Gold Standard in Europe; External Debts.

Natural Resources Production—The Coal Industry; The Coal Industry and the Public; The Value to the Public and Industry of Uniform Grades and Limiting Production through Interstate Commerce Control of Car Sidings; Storage; To What Extent Are American Industries Producing Raw Materials Dependent for Their Prosperity on European Markets.

Transportation and Communication—(Railroad Sub-Group) The Transportation Act; Regulation of Railroad Rates; Regulation of Railroad Wages and Working Conditions; Regulation of Railroad Security Issues and Capital Expenditures. (Merchant Marine Sub-Group) The Hague Rules. (Highways Transport Sub-Group) Highway Transport Development; Economic Foundation for Future Progress; Practical Highway Transport Regulation; State Participation in Highway Development. (Entire Group) Internal Waterways; Railroads and Port Terminals; Railway Equipment Problem Abroad; Shipping.

Insurance—The Insurance Man as an Insurance Educator; Selling Service; Education and Service as an Individual Investment Paying Dividends; Insurance Taxation and the Public; What the American Business Expects from Insurance and Its Agency Force.

Civic Development—(Housing) How Zoning Stabilizes Real Estate Values; How Shoddy Construction Will Drive Investment Money Out of the Housing Market; Living Conditions of Wage Earners in Western Europe; How the Emergency Percentage Immigration Law Has Worked Out; Living Conditions in the Alien Colonies of American Cities.

The American Section of the International Chamber of Commerce also will hold a group meeting.

At some time during the annual meeting there will be laid the corner stone for the Chamber's new building which is to be put up on the site of Daniel Webster's old home on Lafayette Square across from the White House.

Industrial Justice—Not Peace

By WILLIAM ALLEN WHITE

I BELIEVE in the Kansas Industrial Court, not for what it has done, though it has done well, but for what it must do. Many advocates of the court, and nearly all of its opponents, refuse to see the implications of the court. A shadow cast before is found in the decision of the Kansas Supreme Court, which held that a minimum wage for men was exactly as justifiable as a minimum wage for women. This decision upholding the Industrial Court eventually will absolutely scrap the labor market if the United States Supreme Court sustains the Kansas Supreme Court. And unless the United States Supreme Court does sustain the Kansas court in that contention, then the Industrial Court is lost, not merely in Kansas, but in every other state.

For an industrial court has only one reason for being—to get rid of the competitive labor market and put labor into industry as a commodity affected by its public use, not subject to the law of supply and demand, not subject to common barter and sale, but a commodity, which is effected with a political significance and therefore is a matter for consideration by the state, for state regulation and control. That is the implication of the industrial court idea from which its advocates and its opponents shrink. Most of the argument for or against the Kansas Industrial Court, therefore, seems to be superficial. That argument is based upon the theory that the right of the state to industrial peace is the principle upon which the court is founded. That is but a minor premise. The right to peace depends upon the establishment of justice. The real theory upon which the Kansas Industrial Court must stand or fall, indeed the theory upon which all adjudication of labor differences must stand, is upon the theory that human labor may not be bought in a competitive market. The question is much more political than economic. And the subscriber hereto, who believes in the court, feels that its implications should be baldly stated, that those who affect to favor or think they oppose the law may know exactly where their contentions lead them.

For the Kansas Industrial Court has the distinction of being opposed by both capital and labor. The State Employers' Association is as bitter against the court as is the State Federation of Labor. And this opposition comes somewhat from the fact that both sides think that an industrial court has industrial peace for its chief end. But courts are not set up to establish peace—except as a by-product of justice. Indeed the whole idea of adjudication as distinguished from arbitration or conciliation is that adjudication shall bring justice, while arbitration and conciliation bring only peace, generally only temporary peace. They produce the compromise necessary to persuade each combatant to quit fighting for the moment.

But when a court tackles the labor problem, the court tackles it from an entirely different angle. It considers the labor differences or disputes or conflicts in terms of justice.

We Accepted the Challenge

THE STRUGGLE between the coal operators and the miners has once more brought home to American business the need for "settling labor wars before they happen." Perhaps the most interesting experiment ever made in America along this line is the Kansas Industrial Court.

How is it working out?

We asked this question of William Allen White, of Emporia, and this story presents his answer. With it came a letter which said:

"It probably won't suit your crowd, at all. I don't think that I could write for your crowd, but the article is what it is, and you can take it or leave it."

We took it. The ideas in it are not ours; they are not those of the Chamber of Commerce of the United States. But they are those of William Allen White, the best known editor in Kansas.

THE EDITOR

Now, justice is what each side does not want. Justice is not an expedient compromise but a settlement of the real matters at issue, and justice is fairly permanent—at least it is based upon a permanent principle.

In the labor conflict, as it has progressed during the last two centuries, each settlement has been a truce. The conflict has been constant and irrepressible. The truce or armistice has represented only the degree of fear which one side was able to impress upon the other side to stop the active fighting. Upon the whole, labor has been the winner; but while labor has won much, capital has kept much more, and no principle has been established upon which to reckon what is the right or the wrong in the basic contentions of the war. Get a plenty while you are getting is the only maxim adduced after two hundred years of strife, with perhaps a codicil; then get ready to get more. And, by reason of the long tradition and established habit, neither combatant wants the war to end. Neither asks for justice. Each is after peace, enforced peace if necessary, but peace if it can get the best of it; and in times of peace each side prepares for war.

The habit of industrial war persists because each side knows that it is always free to employ force, force of any kind, either by the strike, by the lockout, by the boycott, by the picket, by the paid spy or by the "entertainment committee." Force back of industrial peace has an advantage for the man who uses force, whether he be labor leader or employer of labor. The very existence of the right to use his own force in industrial disputes, whether the user be worker or employer, implies the irrepressible and continued conflict—a state of war with occasional truces.

This idea should be clearly in the mind of those who consider the industrial court—that it is not a harbinger of peace but an instrument of justice.

The first principle, therefore, which the Kansas Industrial Court proclaimed by its

decision was that the laborer is entitled to a fair wage. Then follows this revolutionary dictum: Labor is entitled to a fair wage, because the state is entitled to a good citizen. The state's right to a good citizen is a paramount right to any other consideration, and no man is a good citizen who is not living under a decent American standard of living, and, therefore, who has not a fair wage. The Kansas Industrial Court has implied that no matter what the labor market may be, no matter how cheaply an employer may be able to buy labor, he has no right to buy that labor for a price lower than a man can support himself and his family in decency and self-respect. There is where justice comes in rather than peace.

Justice in industry, determined by courts of industry, will require a new set of rules of procedure and methods of attaining the adjudicated truth. But these rules and methods will consider the industrial problem from the viewpoint of the state's first interest—a contented and prosperous citizenship. Inevitably no wage can be

considered which is below a living wage—a wage whereupon a man and his family may live comfortably and in self-respect. The courts which deal with industry must define in economic terms, incidentally but primarily in social and political terms, labor's share in the gross income of an industry. Certain principles of industrial justice will rise as the industrial court is established. And these principles will establish or tend to establish industrial peace, but only as the principles or laws of industry are just.

The Basis of Democracy

THE right of the state to an intelligent citizenship, to a contented voter, is, of course, the basis of democracy. With a discontented citizenship, with a considerable body of voters living below a decent American standard, the state is in turmoil and so is in danger. The state's interest in any labor controversy is twofold. First, to secure the immediate operation of any essential industry and thereby to perpetuate the economic state as a going concern. The second interest, the deeper purpose of the state in any labor controversy, is to guarantee to the state a good citizenship, a contented and intelligent electorate. This deeper purpose of the state presumes that the economic status of a voter indicates somewhat his intelligent approach to citizenship. The deeper purpose assumes that a man living below the American economic standard of living will contribute to the ballot box a vote below the American average of intelligence. And that vote is a menace to society. Hence the state's deep interest in industrial justice. So this industrial court law must become political as well as economic in its application. It presumes a contented state, and a contented state is only possible where a wage scale is fair and acceptable to the workers.

All this seems fair enough on the surface. But in its application the industrial court is aimed straight at the heart of a

competitive labor market. The Industrial Court makes collective bargaining imperative, with the state and not the labor union or the employers' association setting the terms of the bargaining and also with the state, rather than the labor leader or the boss, supplying whatever force is required to bind the bargaining. Now to abolish the labor market, to say to the employer, "You have no right to buy where you can buy flesh and blood cheapest, because the state needs a contented voter more than you need a cheap worker," is waving a red rag in the face of the employer, hence his opposition to the court.

Why Unions Are Against It

NATURALLY, one would think that organized labor would rally to the support of the court; but the fact that the court takes from labor the right to use force to stop an industrial battle halts the labor leader. For to take away the weapons of war from labor—that is to say to abolish the strike, the picket, the boycott, the wrecking crew and the other appurtenances of a big industrial conflict—gives organized labor the shivers. Organized labor fears that a court composed of lawyers, economists and philanthropists will not give labor justice. Organized labor has had bitter experiences with courts. It has found some of them class-conscious and many of them unsympathetic. Therefore organized labor puts small trust in securing justice by adjudication, but prefers arbitration or conciliation, backed by force. Organized labor frankly prefers war to peace and has no faith in justice.

Another thing. Under the present status, a status of combat and armistice and peace following each other in cycles, a place is made for the labor leader as a lieutenant, captain or general of industry. In any warlike scheme of things—and our industrial status today is essentially warlike—each side must have its military leaders. It is for them to decide industrial issues—together with the military leaders opposing them. Upon those two depend what terms of settlement shall be agreed upon. These military leaders of labor, therefore, have a real and a great value to labor and are properly proud of their jobs. In a warlike state they must be well paid. For they actually earn much more than they get, however well paid they are. The high salaries of labor leaders are the price we pay for our present warlike methods. The whole miserable business of the armed truce or the open conflict in industry is a tax upon living, a tax which noncombatants must pay. The militia, the spies, the thugs, the labor leaders, the union organization, the employers' asso-

ciations, the destruction of property, the hoarding of products, playing the market with output, sabotage, slacking—the whole cost of military equipment and military tactics in industrial war is paid by the consumer. It is a dreadful tax. It is reflected in the cost of living. To cut that cost down is one of the reasons for trying to establish permanent peace, through justice.

Labor leaders and captains of industrial capital are not to be blamed for opposing any scheme of things which abolishes the war captains of industry. Just as the establishment of courts in other ages put the fighting men of the tribe out of business, so today the establishment of a labor court would put the fighting men of industry out of business on both sides! The officers of the "local," the officers of the district, the officers of the general federation—these men today are necessary to industrial progress under war conditions. So are secretaries, general managers, and presidents of inter-allied industrial corporations organized to fight labor, necessary to capital under the present warlike status. But, when the state steps in and says its right to peace through justice is a paramount right in industry, those who establish compromises, settlements, arbitrations and what not in time of conflict and truce pass into desuetude. The instinctive opposition, therefore, of the militant leaders of capital and of labor to the idea of adjudication and to state control of wages upon a basis not competitive but equitable has its deep and justifiable cause.

But what of the rest of us? Has the public no rights which the industrial combatants are bound to respect? Has the state no right to a contented intelligent voter, whose family is well fed, well housed, and well schooled? Isn't the right of the state to an intelligent vote from every citizen and an intelligent decision in the ballot box upon vital questions of vastly more importance than the right of the labor leader or the captain of industry to have his say about wages? We are spending billions for education in this country. Education is an American fetish. We believe that if we can educate a voter he will vote wisely. And to insure wisdom in the ballot box we are taxing ourselves heavily. But we find that, if families are underpaid, the children in those

families grow up in ignorance, and our lavish expenditures of school taxes are made in vain. This Kansas idea of a court to abolish the labor market and put wages upon a non-competitive basis is an attempt to save those school taxes for the ends to which they were assessed. Kansas is in effect asking America this poser:

If an industry cannot pay fair wages, living wages, wages with which a man may rear a self-respecting and intelligent family, isn't that industry a curse rather than a blessing to any state, and should it not be put out of business? Or to put it in another form, Kansas asks: If an industry requires that men who work for it shall live at a low standard, why should that industry be allowed to put its cancerous blight upon any community? If we are to have 100 per cent Americans, we must maintain 100 per cent American standards of living. How can we make "100 per cent Americans" out of men whose wages will permit them to live only upon the standards of Southern Europeans?

We Must Answer Them

THESE are questions which America must answer. Probably America is not ready to answer them all affirmatively now. Probably America is not quite ready for a court that will actually produce justice in industry as courts produce justice in commerce. Probably we will need to go some distance in civic education before we realize the damage which an anti-social industry does to the state—that is, an industry which in the nature of things must pay low wages and keep discontented men at work. However alluring the industrial court may look to the casual observer, it is hardly likely that all its implications will appeal to any considerable portion of the electorate. Yet, until some such appeal is made, until the people see that wages are a matter of patriotism, which in turn is the necessary foundation of our government, our democracy will be more or less shifting and unstable.

The industrial court is a goal. We are moving fast in these days, doing in years what formerly scarcely was done in centuries, and doing in decades things which it took epochs to accomplish a few hundred years ago. We learn quickly, but when will we learn the lesson that "Righteousness exalteth a nation; but sin is a reproach to any people"? When will we learn that righteousness consists not in long prayers but in good fellowship? When will we learn that good business is good fellowship, and that it is good business to have good fellowship with everyone around the plant? If any man is too dumb, too ignorant, too



low in social status for good fellowship, the fault may not be his. Give him a good home, maintained by a living wage and upheld by a self-respect based upon a decent economic status and see if he is a slacker, and a bum and a grouch. These all are complications that rise out of the establish-

ment of justice in industry, and it is first of all justice and not the armed truce of war that the Kansas Industrial Court seeks to establish.

Of course the establishment of industrial justice would scrap a lot of industrial plants that cannot pay the fair wage. But a lot

of men and women, good flesh and blood brothers of ours, are being scrapped every year by the unfair wage. We don't seem to mind scrapping men to keep industry going. Perhaps some day we may rise to a degree of social intelligence where we will not wince at scrapping iron and steel and stone.

Why Stick to the Gold Standard?

Questions by Thomas A. Edison

Answers by Darwin P. Kingsley

1-Q: WHAT, in your opinion, would be the approximate market value of a Troy ounce of pure gold if all the governments of the world should demonetize it?

A: I answer your question Yankee fashion by asking another question—"In what esteem would we hold women if all women lost their virtue?"

Your question is a "trick" question (unconsciously so, I admit) and I have answered it in kind. I will now undertake a serious answer.

You ask my opinion of "the approximate market value of a Troy ounce of pure gold if all the governments of the world should demonetize it." The approximate market value of pure gold, I ask, in what? Your question asserts the absolute necessity of a standard of value after the gold standard had been abolished. If you mean—what would be the approximate market value of pure gold in the money which your second question suggests—then my answer is that gold would almost instantly be at a premium.

Your question reflects one of the commonest financial heresies, viz., that when a government coins gold the value of that gold is increased by the government stamp. That is not the fact. Governments coin gold to protect the people and for their convenience. The stamp is merely a visible guarantee that in that particular coin there is exactly so much fine gold. The value was there before the stamp was added. The value of the metal in the coin arises from the fact that gold has for ages been the accepted standard of the world as a medium of exchange. The qualities of the metal that have made it the world standard amongst other things are—

- a. Convertibility.
- b. Ease of transportation.
- c. Comparative stability in terms of other commodities through long periods of time.
- d. Economy in administration.
- e. Adaptability to international operation.
- f. Imperishability.

The common sense of the world classifies gold as a standard of values with the law of gravitation and with the laws of evolution. These laws may ultimately be proven to be fallacious, but they record our nearest approach to absolute truth, and we shall continue to accept them as we do the gold standard, until their truth is disproved. Action based on any other rule would mean, in science—chaos; in business—complete disaster.

2-Q: If the U. S. Government were to build fireproof concrete sectional warehouses at desirable points, using therefor money received from taxation, and should receive, grade and store, for stated periods of time (say, one year), selected necessities of life; issue a certificate or receipt for same, and should enact a law that the U. S. District Treasury, or the Fed-

WHY NOT a currency based on energy units? This is Henry Ford's scheme.

Why not a currency based chiefly on necessities of life and in small part on land—with plenty of margin? Thomas A. Edison has asked this question.

Both have attracted country-wide attention during the last few months.

Mr. Edison sent a questionnaire embodying these points to a large number of bankers, economists and business men, and one of those who received it was Darwin P. Kingsley, president of the New York Life Insurance Company. Herewith we present the questions and Mr. Kingsley's replies to them.

THE EDITOR

eral Reserve Bank, might issue 50 per cent of the market value of these commodities in money (such market value being based on the average selling price over a period of twenty-five years and so endorsed on the certificate), would this money, so issued, be sound money? If not sound money, give your reason.

A: No; such paper would not be sound money. It would be payable in goods or materials which fluctuate violently. Men would not accept it as money because they would never know what they could buy with it. It would not be convertible. Its administration would be incalculably expensive. It would not be issued to satisfy the demands of business, which is the real function of money. It would result in enormous inflation, and, because of its ultimate and certain depreciation, would work vast injury, first to the capitalist, and finally and most certainly it would rob all those whose sole capital is labor in some form.

Federal Reserve notes secured in part by goods differ fundamentally from your proposed currency; the goods behind the Federal Reserve notes are in movement, not in dead storage.

3-Q: Would the money thus issued be as sound as a dollar secured by, say, 50 cents worth of gold, and the promise of the Government? I mean in the ultimate analysis and not considering the gambling chance that it is very unlikely that everyone would want their gold at once?

A: It would not be as sound as money adequately secured by gold. As a matter of fact our currency is sound with a reserve of 40 per cent in gold.

4-Q: If the answer to No. 2 is that the money issued on a U. S. Government ware-

house certificate and held as security is sound money (the equity in which is owned by the owner of the certificate and upon which he has received 50 per cent of the market value), would this equity be available of being discounted by a commercial bank? Would the currency thus received from the Federal Reserve Bank be sound money, the capital and surplus of the bank being in money issued in the first instance?

A: The meaning of this question is not clear. I have already stated my belief that such issues would not be sound money. Assuming that this "money" was declared by law to be sound, you seem to ask whether the equity in the property in the warehouse (the owner of the equity having already received what purports to be 50 per cent of the total market value) could be discounted by a commercial bank and rediscounted by the Federal Reserve Bank. You in effect ask if the value back of the "money" (which makes it good, if anything does) can be used to produce more of the same kind of money through discounting and rediscounting that unknown residuum, I answer—"Can a snake swallow itself?" Yes; up to a certain point, but the process always kills the snake.

Answering your question directly—No; under existing laws the equity would not and could not be discounted by the Federal Reserve Bank.

5-Q: If this second issue of money is unsound money, point out why it is more unsound than the present money, based partly on gold and silver and promises?

A: This question makes me think that I have guessed the meaning of No. 4 correctly. No such second issue would be possible under existing laws. Assuming that by some legislative folly such second issue was authorized, its value by comparison with the first issue can best be expressed by the old saw, "There is small choice in rotten apples."

6-Q: If money is issued on selected necessities of life (held and in control of the Government) to the extent of 50 per cent of their value, could there thus be any inflation of the currency due to this particular issue? Would farmers overproduce so as to stock up these warehouses to get a loan of 50 per cent of the value of their produce and thus inflate or multiply the currency?

A: It's difficult to guess what might or might not occur under such an unsound project—which, by the way, is not at all new. It is fundamentally a plan to inflate the currency—to inflate it enormously. We might be delivered from that danger through the common sense of the farmer and the manufacturer. They might refuse to part with their products for this "Fools' gold."

7-Q: Suppose that through these government warehouses the issue of money should far exceed, per capita, the highest amount that so

far has been issued and more than is necessary to transact business, would there arise any danger similar to what has occurred with currency not backed by a reasonable amount of gold?

A: The whole plan would probably smash things so quickly that it is useless to draw any analogies. Money issued against a gold reserve usually has some value, however excessive the volume put out may be. Your proposed currency, if it worked at all, would certainly be overissued ("over" what it is not easy to say as you set up no real standard) and would ultimately and at no distant date have little purchasing power.

8-Q: If England had government warehouses wherein were certain selected articles from her colonies which articles America buys and will probably always buy, and such articles are inspected by and guaranteed by the English Government which should issue a special currency on the warehouse certificate at one-half the market value of the goods, would this special currency facilitate the exchange of commodities more than now with present difference in money?

A: No; you seem to forget that if England had had any surplus of goods she would have shipped them to us and kept her gold. So would Europe. They have kept their food and goods and sent us what gold they could. Your imaginary English or colonial warehouses full of food and goods would make no difference in the situation. Any exchange of commodities would be based on the value of those commodities in American gold.

The difficulties with Canadian trade have substantially disappeared because Canadian money is now at a discount of only about 3 per cent.

9-Q: Would not this special currency, issued in the manner stated, by any stable government in which we have confidence, purchase more goods in the U. S. A. than their normal currency, based on a small quantity of gold and credit?

A: No.

10-Q: Assuming that the U. S. Government still owned many square miles of territory which, if irrigated, would be worth many times as much money per acre than (sic) land subject to the vicissitudes of climate, and should build a dam and reservoir for power and irrigation, leasing the land on rental and contracting out the power, and should issue currency to build the dam and ditches and construct the power station, would this currency be sound money? It is backed by actual valuation which continues forever? Would it not have a value as great as the 100 million of First Mortgage Bonds of the Union Pacific Railroad, the property of which is far less permanent, bringing a lower income, leaving out of consideration the danger which all such projects contain of being abused by legislative action in times of financial peril?

A: Such currency would not be sound money. See Answer to No. 2. There is a singular parallelism between your argument for the soundness of this proposed irrigation currency and Mirabeau's argument for the soundness of assignats. "They represent," he said, "real property, the most secure of all possessions, the soil on which we tread." Why the reference to the Land Grant Bonds of the Union Pacific Railroad? They are not "currency" nor can they be used as the basis for currency. They are good because the Union Pacific is in good credit and because they are payable in gold.

11-Q: If you answer that it is not sound money, is it for reason of its lack of ready convertibility, like the currency issued for goods

in the warehouses which may be sold at once? Why is this lack of convertibility serious? Explain what bad effects would occur in case of a depression or panic, when, say, 90 per cent of our currency was issued for one-half of the value of necessities of life, and 10 per cent issued on projects like this land and irrigation operation, not separately, but both back of a uniform currency of one character and made unchangeable by amendment to the Constitution by popular vote, so that the ratio of 90 per cent and 10 per cent could not be changed.

A: I have given you the reasons why such currency would not be sound money. In this question you seem to me to reveal for the first time what may be called your financial program. You propose a currency of which 90 per cent shall be issued against the necessities of life and 10 per cent against land and irrigation projects, each separately representing about 50 per cent of its supporting value. The currency to be uniform and the relative values (90 per cent and 10 per cent) to be fixed and maintained by constitutional amendment. You then ask what bad effects would occur under such a currency in case of depression or panic. You might as well ask me, assuming that the moon is actually made of green cheese, how that cheese could be transported to the earth and what price it would sell at in New York on the 1st of July, 1922. I cannot undertake to say what would happen under a project so chimerical. The money proposed would be unsound, the ratio of 90 per cent and 10 per cent could not be maintained, and your proposed constitutional amendment, if adopted, would be as futile as the Pope's Bull against the comet.

12-Q: On the other hand, suppose the Government operated the dam and sold the land, charging rental for water, would this enhance the value of the currency issued to put the scheme in operation? The currency would be redeemed in this case rather quickly. Would this make this currency more sound and desirable?

A: If this "currency" was receivable in payment for water used and for power used it might serve a local purpose, but it would, nevertheless, not be sound money.

13-Q: Do you think that civilized countries have, from experience and knowledge of economics, reached a stage where they could drop the fiction, unreality and chaotic state of a currency based on gold, and adopt a money, back of which is real useful wealth of twice the value of the money issued? Must we always remain on a gold basis? Is it beyond the wit of man to devise any equivalent method?

A: The world has tried many times to drop what you call a "fiction" and substitute so-called "values" as the basis of money. Such attempts have always failed and always will. "Money" that rests on goods, materials, even real estate, is not sound money. The "wit of man" long since learned that. Of course the lessons of history mean little to the men who call all history "bunk."

14-Q: If all civilized countries have not reached that point, then state what countries, in your opinion, have advanced to that point.

A: None.

15-Q: Could gold be demonetized in the U. S. at some future time, except for paying international balances, and a national currency established, based on real wealth, as stated, without any great disturbance?

A: No.

16-Q: Suppose such a currency was issued, as I have described, would this increase or diminish the profits of our banking system? Take into consideration the possibility of a great in-

crease of wealth, possible from a 100 per cent sound currency and its ready availability.

A: With the inevitable inflation which your plan contemplates—assuming that it would work at all—the banks might make great paper profits for a time, as is the case now in Germany and France; but the very conditions that resulted in these seeming profits would ultimately destroy business, and when you destroy business you destroy the banks.

17-Q: When a bank discounts the note of a merchant and charges 7 per cent (which is called interest), isn't this a misnomer? Does not the bank perform certain duties and services for this 7 per cent that is worth it? Why call it interest? Why don't they enlighten the public? A person loaning money to a railway, taking bonds, gets interest, but he performs no service like a bank. Yet both are called "interest."

A: I see no real importance in the distinction you seek to establish.

18-Q: If by some financial system brought into being and made the law by legislative action, whereby the money issued cannot be 100 per cent sound, and this money is loaned to a railroad, taking bonds payable, principal and interest, in gold, is there not a chance that in this exchange the lender is getting more interest and more surety of his principal than he is entitled to?

A: This question is vague and a little more hypothetical than most of the other twenty-five, and cannot be directly answered. You apparently assume that our present currency, which is not secured by 100 per cent of its face in gold, is not 100 per cent sound, and you ask whether the lender of this unsound money—secured by only 40 per cent in gold—does not get in interest and principal more than he is entitled to if interest and principal are payable in gold. The answer is No. Neither when the loan is made, nor when interest and principal are paid, does actual gold coin change hands. The borrower would have as many reasons to demand gold coin when the loan was made as the lender would have to demand gold coin for interest and principal. Practically neither wants nor gets gold coin. Both could demand and receive it.

19-Q: Before the war German currency was on a gold basis; today she has many millions of gold in the Reichsbank. Isn't she still on a gold basis? If not, at what particular state of her holdings of gold did she cease to be on a gold basis?

A: Germany is not on a gold basis. She ceased to be on a gold basis when, in disregard of all economic laws, she printed paper marks in volume far beyond her power to redeem them in gold.

20-Q: Do you believe that governments should base their money on gold after we have seen that on account of special disturbances, such as one country taking most of the gold to itself, disturbing the commerce of the world, and bring about a state of affairs that they cannot trade with each other; do you think it beyond the power of man to improve on his crude mechanism of commerce?

A: This disturbance in commerce is not due to the gold standard. That is where you seem to me to be confused in your thinking. The gold standard is one of the few standards surviving from pre-war times. It gives the world some approximate measure of the economic disaster wrought by the war. It measures folly; it does not commit it. If the world had had only commodity money when the war began, all England and Europe would now be starving. They would have had to ship us commodities instead of

gold. Perhaps never in the history of nations has gold so clearly demonstrated its peculiar fitness to express and measure values. The trouble with the currency systems of Europe now is not so much a lack of gold as a superabundance of paper money.

21-Q: Do the words, "fiat money," mean that money, not redeemable in gold, at par, is fiat money?

A: Yes; substantially that.

22-Q: If this is correct, no country has enough or ever had enough gold to redeem all its money, at par. How much of the whole body of money is good money, and how much fiat money?

A: All money based on gold, and so limited in volume as to maintain a proper relation to the gold reserve, is sound money. If that relation is not maintained by any country, its paper money will fall in value and gold will be driven out of that country. A currency at once flexible and sound is possible for the same reason that banks of deposit and discount are practicable. Experience shows what gold reserve makes currency sound and what reserve a bank of deposit needs to be solvent.

23-Q: Gold can be made a standard, but it is not possible to make any known piece of matter a standard of value. Nothing is known that will not vary in value to man or men. Is there any truth in this statement?

A: Yes; some truth. Gold measured in terms of the necessities of life fluctuates somewhat over long periods of time but never violently, and less than any other commodity.

24-Q: If so, what value is gold as a standard if the currency issued against it is in excess of the gold whose value is constantly varying?

A: The value of gold is not "constantly varying" and long experience teaches us that, apart from all abstract questions of "value," the function of gold as a currency base is similar to that of a governor in a steam engine.

25-Q: The subject matter of Andrew D. White's work called "Fiat Money Inflation in France" is used as a terrible example. Is it not true that there are two sides to this question, of which White gives us only one side? France, just before the issue of assignats, was hopelessly bankrupt and would have been worse off without assignats than with them. There were great compensations for the depreciation of assignats, which ultimately caused France to become one of the richest nations. The fiat money of our Revolution became worthless directly and 1000 per cent good indirectly. This is no argument for fiat money, as, in my opinion, all general money within a country should have practically twice the value of its par behind it.

A: The assignats of France were secured by the most stable of all property, the real estate of France. The history of the assignats is the best answer I know to your proposed plan of "warehouse" and "irrigation" money. It is probably true that the first issue of assignats temporarily stimulated business in France. The early issues of colonial currency helped to finance the Revolution. The same thing has happened recently in Germany. It always happens when wholesale inflation of currency is indulged in, but once that road is entered on—*facilis descensus*. Colonial currency was finally taken up at the ratio of 100 to 1; assignats were converted into mandats at 30 to 1 and within a year the new money had no value. How you make out that assignats made France rich and that colonial currency was 1000 per cent good indirectly, I cannot see.

26-Q: Germany has issued and is now issuing enormous quantities of fiat money. This appears to be serious. Yet all her people are working furiously. America, it is said, has no fiat money. Four million men are idle, living off the workers, and we have depression in business. The same case in England. Point out why this is so and what will probably be the final result.

A: Germany is working (not furiously) because she is beaten, because she is hungry, and because of the hectic stimulus of excessive inflation. She is not producing up to anything like her pre-war standard. She is starving in some sections and living like a roysterer and a spendthrift in others. The middle class has been wiped out.

In this country and in England there is everywhere the consciousness of strength—which Germany once had and has ultimately lost—and hence all the old conflicts between labor and capital survive with us and in England.

The overissue of fiat money in Germany is the product in part of political irresponsibility, in part of her abandonment of all standards, and in part of the compulsion of a condition created by her desperate gamble for the control of the world. She started headlong, August 4, 1914, on a road along which she is being swept by forces she can no longer control. Her financial follies are a part of the fruit of her general political immorality and blundering. Her overissues of currency are symptoms of a general disease.

Notwithstanding her present seeming industry, she will probably go to smash. Notwithstanding our idle and England's idle, we shall work out to prosperity largely because we have not abandoned our standards—and one of these is the gold standard.

The Grocer, the Butcher and \$10

By WARREN BISHOP

GO INTO that near-by grocery store that you favor with your daily order and pay your weekly grocery bill of \$10. Has it ever occurred to you to wonder what the groceryman does with that \$10? How much stays in his till to be spent in turn for Mrs. Groceryman's spring hat and little Johnnie Groceryman's new shoes? How much of it starts back at once to work its way back to the farmer who raised the beans and the canner who put them up?

Pass on down the street and pay the butcher another \$10 for your weekly roast and breakfast bacon and the fried chicken when the minister came to dinner. How much of that leaves the butcher shop to work through wholesaler to stock raiser or the farmer's wife whose chicken money buys her new bonnet? How much stays in the shop for day to day expenses, and how much finds its way home to be used for Mrs. Butcher and the little Butchers?

Two answers to some of these questions have just been issued, one aimed at the retail meat dealer and the other at the groceryman. Both were made by governmental agencies and under widely different conditions, and for different years, yet one interesting thing about them is that their results tally so closely.

One investigation, made by the New York Federal Food Board, under the leadership of George L. Bennett, was a result of war-

time conditions and dealt with retail groceries in New York City. This was made in 1918. The other, a survey of the retail meat trade, was based on business in 1919 in 36 cities ranging from Concord, New Hampshire, to Los Angeles, California. This was conducted by the Department of Agriculture.

But to go back to the \$10 bill you have just given the grocer. What does he do with it? First and foremost he turns by far the biggest part over to the men from whom he buys his merchandise. He gives \$8.36 to the butter and egg dealer, the wholesaler, the baker and the others who supply him. That was the average of 128 stores reporting from all parts of New York City.

So "gross profit," as the report calls it—"spread" is perhaps a better word—in that \$10 bill is only \$1.64, and there's a lot to be done from that before anything gets into the grocer's pocket to stay until he encounters his wife.

Out of that \$1.64 that is left, the largest item is wages, larger by far than rent. He distributes 66 cents in wages, 44 cents to himself and family and the rest to his salesman and delivery boy or whatever other help he needs. Remember that, in many of the stores reporting, the proprietor and his family do all the work and these figures are an average of 128 stores of many sorts. On sales of \$40,000 a year that amounts to \$1,760 a year, no exorbitant amount.

That's his largest expense, and rent comes next—24 cents out of the \$10 bill, or, to put it differently, \$960 for that \$40,000 grocery. After that comes delivery, inward 3 cents, outward 17. After that he spends the shattered remnants of your \$10 bill speedily and in small amounts. He puts aside 4 cents for his ice bill, 8 cents for his wrapping paper and twine, 2 cents for light and heat, 6 cents for interest on his investment, 3 cents for losses from bad debts and 8 cents for his other expenses. Then he's got 23 cents left out of your \$10 bill, which is his net return. And if you add it to the 44 cents allowed to himself and his family as salary, the share that stays in the shop seems modest.

Suppose we turn now to the \$10 which our householder has paid to the retail meat dealer. What becomes of that? Here we can look to the United States Government for our figures, taken over a wider field and at a later date. The period covered was the year 1919, and more than thirty cities were canvassed in whole or in part. Only a small part of the stores kept accounts complete enough to be of service, but 214 sets of records from individual meat stores and 216 from branches of chain stores were tabulated. In the Federal Government investigation the owner's salary was fixed on a percentage of sales—8 per cent of the first \$20,000, 3 per cent of any added amount up to \$50,000, 1

per cent for the sales from \$50,000 to \$100,000 and 1/2 per cent beyond. The retailer whose sales were \$20,000 got \$1,600 a year salary, one whose sales were \$50,000 got \$2,500, and so on.

The retailer of meat doesn't give the wholesaler quite as much as does the grocer. He takes, from your \$10 bill, \$8.11 and turns it over for his beef, bacon and hams and all the rest of it. Then he deducts \$1.03 for wages, his own, his family's and his hired men—if he has any of the latter. Like the groceryman, the butcher is often manager and salesman, while Mrs. Butcher is the whole accounting force and young Bill Butcher the delivery department.

Rent, the next thing to come out of your \$10, takes but \$.13 for the butcher—less than for the groceryman, due probably to the fact that the New York investigation was entirely of stores in New York City, while the Federal inquiry reached such places, as Albany, Georgia; Bowling Green, Kentucky; and Marion, Kansas.

Ice naturally is more serious to the butcher. He devotes 8 cents to that and another 8 cents to wrapping cost. He pays 5 cents of the \$10 for interest, 10 cents for light, heat and power, and 27 cents for other expenses, of which delivery is the chief. All of this accounts for \$9.77 of the \$10 with which you have paid your bill, and there is left for net profit 23 cents. Let's sum it up:

	Groceries 128 in New York City	Butcher shops 430 throughout the United States
Merchandise	\$8.36	\$8.11
Wages (including the proprietor and family) ..	.66	1.03
Rent .....	.24	.13
Ice .....	.04	.08
Wrapping .....	.08	.08
Interest .....	.06	.05
Light, heat and power .....	.02	.02
Miscellaneous (in- cluding deliv- ery) .....	.31	.27
Net profits .....	.23	.23
	\$10.00	\$10.00

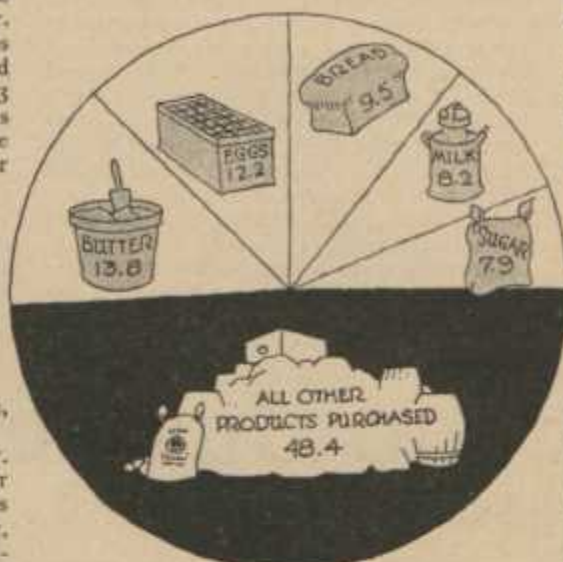
Who gets the largest item of the \$10 bill you gave your grocer—the \$8.36 he paid for the butter and flour and green peas and canned peaches he sold to you? The New York State inquiry looked into that and with some interesting results. The investigation took 58 typical stores in various parts of New York City and went over their purchase slips for the year 1917. Their results they think are fairly accurate, since, after 40 stores had been analyzed, the results coincided almost exactly with the 18 that were added to the investigation.

Five items, butter, eggs, bread, milk and sugar, make up a little more than half the grocer's buying, but the significant thing about that is that on all five the grocer's profit falls below his expenses. In the table printed above, expenses total 14.1 per cent, and the percentages of "gross profit based on selling prices" of the five articles mentioned ran like this:

Butter	7.84
Eggs	9.65
Sugar	9.66
Milk	12.44
Bread	12.99

It does not follow that the average grocer lost money on all these commodities, for it would be necessary to compute costs of doing business on each of these articles to find that out. As the report puts it:

The significance of the percentage, 14.1, therefore lies only in its warning to the grocer of analyzing his profits and his costs and in its appeal to the consumer for a fair understanding of the grocer's problems before pre-



Here is what a grocer buys. His gross profits on the five articles shown at the top are less than his average expenses.

ferring blind charges of increasingly high prices and wilful profiteering.

Butter and eggs are two things that have caused as much talk of "high prices and wilful profiteering" perhaps, as anything, even shoes, and it might be interesting to see what these grocers made on them. The average cost of a pound of butter to the grocers was 70 1/2 cents and the average selling price 76 1/2 cents, a spread of six cents or 7.84 per cent. Think of the contribution that six cents must pay for wages, rents, delivery, ice and wrapping, and it seems small. Eggs were but little better. The grocers paid an average price of 65 1/2 cents a dozen and sold them for 72 1/2, a percentage of gross profit based on selling price of 9.65, again much below the average of gross expense.

On the other end of the scale are such things as onions, corn meal and potatoes, showing gross profit percentages of 40, 24 and 23 1/2. Perhaps if you would confer a real boon on your dealer in groceries you might confine your \$10 purchase to a mixed order of these three staples. Unfortunately—for the grocer—40 cents is all that is spent out of the average \$10 for the three, 29 cents for potatoes, 10 cents for onions and a cent for corn meal.

The task before the meat man of equalizing profitable and unprofitable sales moves along different lines. He not only sells some meat at a margin less than his expenses, he sells a part at less than what he pays. As the Department of Agriculture puts it:

There are certain cuts which must be sold at a lower price per pound than the average price paid for the carcass at wholesale. In consequence, some preferred cuts of fresh beef must be sold at prices fully twice as high as the average price paid at wholesale, or in some instances at prices three times as high, particularly if there is a considerable amount of trim before weighing.

An element likely to be overlooked in comparing retail prices of meats is the fact that it is the preferred cuts that are holding high prices while the less desirable cuts have declined greatly. While the average price of sirloin steak for the year 1921 shows a decline of approximately 10 per cent, and round steak and rib roast approximately 15 per cent from the highest year of the war period, chuck roast shows a decline of 20 per cent and plate beef a decline of 30 per cent. With the decline in the prices of meats, consumers have shifted their demand for cheaper to more expensive cuts and have prevented the decline of the latter.

There is one explanation there, of our old complaint: "Why is beef so high when cattle are so low?" Part of the answer is: "Beef isn't so high. It's the beef you're willing to eat that's so high. If you're satisfied with some kinds, you can buy it at less than cost."

And as for your grievances about profiteering grocers, it would seem that the prices you have complained the most about, have been of things on which the grocer profited the least.

Foreign Trade's Family Tree

By CHARLES LYON CHANDLER

Manager, Foreign Trade Department, Corn Exchange National Bank, Philadelphia

THE morning's newspaper tells us that "the steamship *Caxias* arrived from Brazilian ports at New York yesterday with 18,000,000 pounds of coffee on board, valued at about \$1,000,000. This is said to be the largest single shipment of coffee on record."

In the *American Daily Advertiser*, then the leading daily newspaper in Philadelphia, for August 25, 1811, Balch and Ridgway offer for sale, at No. 25 South Wharves, "Brazil coffee in Bags" and "Brazil white Sugar." We are so accustomed to think of all our foreign trade as of recent growth that the source of the average breakfast a hundred years ago may surprise some of us.

Tea had been coming in directly from Canton since 1783. From 1785 onward, for instance, it came directly to Philadelphia in a steady succession of vessels, which brought greater and greater varieties—Hyson Skin, Young Hyson and many another type beloved of the epicures in bygone days.

Our great-grandparents brought their coffee from fully as wide a range of foreign sources as we do today. In 1812 a Philadelphia merchant advertised 280 bags of first quality coffee from the Island of Reunion, or the Isle of Bourbon, as it was then called, together with 200 bags of Brazil coffee (what percentage would this be of the cargo of the *Caxias* we have mentioned above?) and 150 boxes and 132 bags of Brazil sugar.

Cuba supplied us with sugar then as now; we read of a cargo arriving in New York from Havana in January, 1812. Cocoa came from Cayenne, French Guiana, in 1811 and sugar from La Guaira, Venezuela; in fact, in that year American vessels brought cocoa from South American ports to Archangel, to circumvent Napoleon's numerous blockades. Coffee also came from La Guaira.

We wonder if President Monroe was influenced in any way as regards his famous doctrine by what he may have eaten and drunk from those countries to the south of

us. Where else could his coffee have come from? And whence came the hides that were made into his shoes? Hides and leather had been coming into Philadelphia and New York since 1799 from Buenos Aires and Montevideo. Tobacco came from Brazil, Cuba and Santo Domingo. We learn of a shipment of sarsaparilla from Cartagena, Colombia, to Charleston, S. C., in 1812.

"Turkish delights" came regularly from Smyrna, where there were six United States vessels on March 9, 1812. Large amounts of foreign wool went into good clothing then as now. On June 9, 1812, we read of an exhibit of Guanaco, Alpaca, Llama and Vicuna wools going on in Philadelphia.

So there is little difference in our import trade after a hundred years or so. Thanks to the gentleman from Minnesota, the Moses Grinnell's, Timothy Dexter's and Stephen

Girard's of today are spared the expense of having their liquids go rolling around the Cape to give them a better flavor. But practically every staple article of import to which we are accustomed today was coming in here a hundred and ten years ago.

We have not yet succeeded in raising coffee and tea within our own borders, and Cuba is still useful for her sugar. What would Stephen Girard have thought of loading the *Voltaire* or the *Rousseau*, those staunch vessels of his, with fresh fruits from Chile to New York? Or could any of the six United States vessels at Cape Town in 1805 have brought fresh South African table delicacies to Philadelphia?

Exporting alone is only a bachelor of foreign trade, for what is a home without importing? Whence comes the rubber on my automobile tires, and the tanning in my shoes

and the linen in the collar I am wearing?

So there is little change as to whence comes our coffee, from Monroe's cup to Harding's. Tea has changed—Ceylon reigns where Canton once stood supreme. But sugar remains largely constant; and England and France supply our department stores with much the same class of goods as when Abbott Lawrence hastened Bostonward after Waterloo, to get in his first large consignment before anybody else.

If any teacher in an inland city wants to illustrate geography, let her take the local department store and garage as a beginning, and show how we could not live today without our imports. We have never been able to live without them, and the chances are we never will, unless coffee grows in Minnesota and the New Hampshire tea-crop is decidedly better than Vermont's.

Bait for the Business Man

By SAMUEL HOPKINS ADAMS

IT ARISES, I suppose, from our having been brought up on fairy tales as a people. We have had instilled into us a haunting hope of buried treasure to be unearthed. We cannot quite give up our belief in the pot of gold at the rainbow's end, and when a plausible stranger (who may well be a good fairy in disguise) takes us by the hand and says, "Step this way and I'll make your fortune," we are instinctively impelled to follow him. Hence, while we are contentedly esteeming ourselves as the smartest nation in the world, the rainbow-makers take a round billion out of us yearly for the pot of gold that is never there.

The most astonishing feature of it is the class of men who are taken in by the hoary old frauds. The really up-to-date bunco man does not devote his attention specially to the farmer any more; he prefers to hunt in the urban districts; and the bigger the city the faster they fall. Says Post Office Inspector C. H. Clarahan, to whose records I am indebted for the typical cases cited below:

"If it were not for the shrewd American business man who isn't quite as shrewd as he is greedy for big and easy profits, the bunco business wouldn't be enjoying half its present boom."

The next most astonishing feature of it all is the dull and uninspired nature of the schemes that catch the dollars. One expects rather more of Yankee cuteness. But, after all, when any old fake will serve, why expect the crooks to deplete their brain cells thinking up masterpieces of chicanery?

One might suppose, for example, that perpetual motion as a dollar-trap would be as ineffectual as the much derided gold brick. Mr. John E. Carroll did not find it so. He selected the classic shades of Boston for his mechanico-financial experiment, hired an impressive show room, set up his engine and invited the public, through the medium of full-page advertisements in the local papers, to come in and view the marvel which was to revolutionize motive power throughout the world. It was a beautiful little engine, for Mr. Carroll knew the technic of his trade; the public manifested a lively interest in it.

"This," said the exhibitory Mr. Carroll, "is the feed tank supplying carbon dioxide. The exhaust, you will observe, discharges into this reservoir which reconstitutes the gas by a secret process into its original form

SOMEONE set going across this broad land of ours the statement that in the not long past days of his prosperity, the American farmer bought \$2,000,000,000 (nine ciphers, please, not six) worth of worthless stock. He saw again the picture of the comic papers: the bunco-steerer (how old-fashioned that word seems) in a checked sack coat and silk hat, with a blue-black mustache curled tight under a rosy nose. In one hand he held a gold brick or a package of green goods. With the other he took a bundle of money from a "Rube."

We asked Samuel Hopkins Adams to find out about it and he tells us we need to remodel our ideas, that the swindler is the fake company promoter and the victim is now the business man.

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and returns it to the feed tank to be used over and over again indefinitely. Thus we have a continually circulating power-agency which is practically perpetual motion. The stock," added Mr. Carroll seductively, "is going very cheap."

It also went quite rapidly. Were the ready purchasers feeble-minded old ladies with small but hopeful savings banks accounts, and senile dotards with boards of coin in their stocking toes? They were not. They were business men, some professional men, high paid clerks, "wise" profit hunters who had seen the engine work and knew what it could do. Perpetual motion seemed indeed in a fair way to be established in the form of a steady flow between their pockets and the bank account of the artful Carroll when along came a spoil-sport professor from the Boston Institute of Technology who looked the engine over, asked a few questions, listened intently at the floor beneath and then sat down and wrote a mean letter to the Post Office Department.

That letter brought Post Office Inspector Clarahan to the place. He found the engine working as smoothly as ever, also the stock-

selling enterprise. He found also a pipe underneath the little engine which was the real exhaust. The "reconstitution tank" was a hollow sham and the "perpetual motion" feature of the engine good for about twenty-four hours before the gas supply gave out. Yet learned Boston had already begun to invest heavily and was daily increasing its holdings in gaseous perpetual motion. One rich prospect had come all the way from northern New Hampshire with a scheme for aeronautic use of the device.

As first aid to the fake-stock game, the local associations of business men are highly regarded by all good blue-sky operators. Chambers of commerce are always thinking how nice it is to have a lot of money coming into town; they seldom pause to consider how otherwise it would be to have a lot going out. Therefore when Mr. Smoothtongue presents himself with a project to build a factory in the vicinity, they fall upon his neck, give him a public banquet, endorse his scheme with their names, and trustfully put their money into his enterprise. Thus it was with Mr. Marcus A. Fee, organizer of a vast (had it not been so imaginary) chain of milk condenseries under the name of the Valecia Condensed Milk Company. The not ineptly named Mr. Fee went down into Kansas, to Salina, and to Winfield, to Hutchinson, and Stafford and Halstead and treated their respective business organizations as a snake-charmer treats a fangless cobra. According to his own story he was the inventor of a special process for condensing milk at greatly reduced cost. He was operating a condenser in Wisconsin at correspondingly gratifying profits. He undertook to establish similar condenseries at Salina, Winfield, and the other towns, if locally encouraged.

No trouble about the encouragement. The business organizations vied in support of him. The foremost elements of the community hastened to applaud, welcome, and purchase. Leading banks acted as subscription agencies for the Valecia stock. Nobody paused to inquire who Mr. Fee was, by whom he was vouched for, what his process might be, whether his Wisconsin condenser produced the profits he claimed or even whether there was any such condenser in Wisconsin. Why look a gift horse in the mouth? Wasn't he bringing money into town? He was not! But he was taking some out; quite a good deal, in fact, and all of it on false representations.

True, there was a condensery run by him in Wisconsin. It had been operating at a consistent and convincing loss since its inception. The special process was imaginary, though Mr. Fee's own fee for the alleged use of it was half the proceeds from the sale of the stock, besides which he paid himself liberal commissions. Also he had a penitentiary record, had anyone taken the trouble to investigate.

After he had collected some \$600,000 on his Valecia scheme, the Post Office Department got him. Perhaps upon his release from the term he is now serving he may erect those condenseries. But the local organizations are not banking on it.

Suppose, Perspicacious Reader, a man whom you did not know called you up on the phone and without introduction or recommendation tried to sell you stock in a company the very name of which was unfamiliar to you. Would you waste any time on him, let alone any money? Certainly you would not! And yet—and yet—there was H. Kent Holmes of New York City, that metropolis long since identified by O. Henry as the nest wherein the original jay was hatched.

Mr. Holmes' stock in trade was a feeble little trickle of a leased oil-hole out in Kentucky, a glossy office in the Wall Street district, an outfit of telephones, a corps of smooth ballyhoo artists, one to each phone, an optimistic faith in the imperishable gullibility of human nature, and a scheme without one redeeming feature of novelty, individuality, or cleverness. His salesmen simply divided the telephone book up between them, called business men at their offices and, giving them "a game of talk," invited them to purchase stock in the W. P. Williams Oil Company, owning a group of wells which produced 500 barrels a day (actual production, five barrels) with prospects of an enormous increase. The appalling part of it is that men, business men, New York business men, did let themselves be persuaded into buying and accepting delivery of that worthless stock simply on the strength of a telephone conversation. Various theories have been advanced as to how the salesmen did it; the most plausible is that they were graduates of a correspondence school of long distance hypnotism. One trusting merchant gave up \$15,000. As is duly attested by the Government's evidence, Holmes and his brokers took in more than a million dollars through this method and through sales by mail before Inspector Clarahan descended upon the outfit with a warrant and put an end to the enterprise.

As compared with this, the operations of the North American Rubber Company possess at least some small quality of artistry. The scheme was synthetic rubber and the place Boston, a favorite preserve for the easy-money hunters. The concern was organized with a capital stock of \$5,000,000 which was vended on the strength of the "new synthetic process" and of a contract with an established belting firm which had a solid reputation. The three geniuses who conducted the stock sales represented that they could make the rubber at a cost of forty cents per pound.

"And if you've any doubts about it, sir, come right over to our factory, see the proc-

ess and look over our books and records. We want our stockholders to familiarize themselves with everything."

There was the factory; no doubt about that. There was the process, shrouded in fumes and acrid with strange, surprising



The trusting farmer is less popular

odors. And there were the books. Also the contract with the belting company, designating a purchase price of one dollar a pound for the delivered product. To produce rubber at forty cents a pound and sell it at a dollar a pound meant obvious riches for all concerned. More than a million dollars worth (?) of the stock was subscribed.

In a year the company was on the rocks, without apparent reason until the post-office authorities unearthed the real facts of the manufacture and financing, which were about equally weird. The "synthetic" rubber consisted in low-grade pontianak, made up of 5 per cent rubber, 60 per cent water, 30 per cent resin, and the rest impurities, reduced with weak acids at a production cost of \$2.83 per pound. The contract price from the belting company was modified by a secret rebate of forty cents a pound, leaving the real selling price at sixty cents a pound, every pound sold thus representing a loss of \$2.23. Little the promoters cared! They had their stock profits and may still have them, as their indictment was quashed on a technicality and they are still at liberty.

Few swindles have been more profitable to their originator than the Pan Motor Company run by a man named Pandolfo, which enlisted among its supporters bankers, local officials, clergymen, including a bishop, business men large and small, and, as usual, a local commercial organization. Pandolfo came to St. Cloud, Minn., with nothing but a bad record and a golden tongue, whereby he had already sold a considerable block of his stock. After long and careful investigation, he told the residents he had selected their little city, out of many aspirants, as the site of his great Pan Motor factory. Although quite devoid of knowledge about motors and with nothing to indicate that he knew anything of them beyond his own statement that he had owned thirty-six of various makes, he inspired the locality with the faith that he could and would put out a \$500 motor car of such supernal qualities that it would eliminate the Ford from the market. "Quantity production" was his shibboleth. It was the only tangible notion that he had except some very alluring and specious ad-

vertising matter which he circulated through the mails, and a line of "selling talk" for his agents which possessed mesmeric power.

A business organization of St. Cloud endorsed him in a letter which he used far and wide and profitably. The most prominent business men in the community went on his board of directors. Yet all that they knew of him was that he claimed to be able to build a motor car to sell for \$500. To the public of twelve or fifteen States he

sold nearly \$9,000,000 of stock in \$10 shares; stock which represented absolutely nothing but blind faith in a master-faker. Eventually he did build, or rather assemble, some cars; about two hundred of them. That was the total output of a factory which cost a round million dollars. It was not a specially good car, and instead of being priced at the promised \$500 it was sold at \$900 for a short time, the price being presently raised to \$1,050. Strange though it may seem, and doubtless did seem to the stockholders, this bargain line of projected Ford competition failed to drive the productive Henry Pandolfo himself who did the retiring. When the Pan Motor bubble burst, St. Cloud had the factory (empty), its inhabitants the experience, and Pandolfo their money. Over one hundred thousand ambitious and confiding investors had paid tribute to the financial and advertising genius of Pandolfo.

Gone is the gold brick of alluring sheen; dimmed in the shadows of the past the diamond ring which the gentlemanly stranger has just picked up under your very eyes and would sell for a small consideration; even that hardy annual of the spring races, the wire-tapping game, is passé. In their stead have arisen other swindles, newer but no cleverer than the old, which the present city-bred generations swallow as avidly as did the haysed the ancient trickeries devised for his undoing.

Editor's Note: A second story by Mr. Adams on this subject will appear in an early number.

Interpreting the Clayton Act

THE CLAYTON ACT, in its third section dealing with sales conditioned upon the buyer not dealing in the goods of a competitor, sought to reach in their incipency agreements which might later fall afoul of the Sherman Act, the Supreme Court said on April 10, when it had before it an agreement made by a manufacturer of dress patterns with a retail merchant.

As to such agreements the Clayton Act sets up its own specific tests in declaring illegality if the agreements may substantially lessen competition or tend to create a monopoly. This means, the court said, that if the circumstances disclose probable lessened competition or create an actual tendency to monopoly there is violation of this part of the Clayton Act. The restriction of each merchant to one pattern manufacturer must in hundreds, perhaps in thousands, of small communities, amount to giving each single pattern manufacturer a monopoly of the business in each community, the court said.

Of course, the decision held that the agreement before the court contemplated a sale to the retailer and was not an agency agreement.



Why Not Aid Shipping, Too?

By WINTHROP L. MARVIN

Vice-President and General Manager, American Steamship Owners' Association

AN AMERICAN ship flying your flag and my flag arrived some months ago at a West African port—a colonial port of a European government—where that flag had not been seen for many years. Anchoring his ship, the captain from his bridge surveyed the harbor. At every available pier were ships of the foreign government that dominated the port—not all loading or unloading, the Yankee captain observed. Under every cargo crane where no ships lay were lighters loaded with stone, put there, it soon developed, by a foreign steamship company that had controlled the transportation of the port from Europe and also from the United States. The captain saw all this and grimly smiled. He recognized that the port was deliberately blocked against him.

Being a man of resource he lowered his boats so that the freight destined for that port could be discharged on the beach if necessary. Then he went ashore and called on his agent. The two went forthwith to the European governor general of the colony. What ensued I am not privileged to repeat—I can only say there was some vigorous Yankee language, so vigorous that the governor general straightway went to the office of the inhospitable steamship line and told the officials there that they had better make room for the Yankee ship, at some pier or under some crane—and with grumbling and reluctance this was done.

There are other foreign ports all over the world where just these things are happening. Our American merchant ships, not seen in those ports for many years, are being treated as pariahs. Foreign merchant ships of these foreign nations have for many years been received in American ports on an exact equality with our few American ships in the overseas trade. These foreign ships have paid precisely the same dues and taxes. They have had the same access to piers and loading and unloading facilities. They have enjoyed lightering facilities and longshoremen's aid equally with American vessels. Their cargoes have been handled as expeditiously by American railroads. But now when our new American ships, built, many of them, by the American Government and owned by the American people, appear in foreign ports, these things above described are happening—not in every instance, it is true, but in too many instances to allow the facts to pass unheeded.

There are stories of all kinds of discriminations against American ships in ports abroad, brought home by indignant captains who have been told to get out as quickly as possible and not come again, and informed that this ocean business is a foreign monopoly and that the American flag has no right in it. When one of the greatest of American shipowners applied at Alexandria for a few bales of Egyptian cotton destined for American mills, he was told that he could not have a pound—that the carrying of this cotton was controlled by the Liverpool liners' conference. Thanks to aggressive American governmental action, that particular Alexandria monopoly has been broken down. But the episode illustrates a spirit far too prevalent in the foreign maritime world. This is one reason why the President of the United States the other day addressed directly in person to the American Congress an appeal for governmental and popular backing of the American merchant marine in overseas trade.

"We need a favoring spirit," President Harding declared, "an awakened American pride, and an avowed American determination that we shall become, in the main, the carriers of our own commerce, in spite of all competition and all discouragements. With direct and indirect aid I bring to you a definite program. Those who oppose it ought, in all fairness, to propose an acceptable alternative. There can be no dispute about the end at which we are aiming."

There ought to be no dispute, but there is. President Harding in the bill that has been laid before Congress proposes, as he says, both direct and indirect aid to American ocean shipping—the one great internationally competitive industry which for sixty years we have left unprotected, on a basis of free trade, to fight the lower wages and living conditions of foreign ships, sustained in many cases by foreign subsidies and bounties.

It is the President's plan to assist our shipping in indirect but powerful ways—as, for example, the reserving of 50 per cent of immigration into this country to the passenger ships that constitute a valuable naval reserve in war. There are other expedients in the President's plan, like deduction of 5 per cent of the freight moneys paid to American vessels, in the making up of shippers' income tax returns, reserving to American ships the ocean carriage of imports and ex-

ports that enjoy low preferential rates on American railroads, and franker recognition of the actual depreciation in tax value of ocean vessels, a part of the general deflation from the world war. Moreover, expensively-run government transports are to be withdrawn and their services transferred to more economical commercial ships under contract.

By these and other means American ocean shipping can be greatly aided without a dollar of direct subsidy. But President Harding recognizes that these indirect methods are not enough, and that direct compensation is needed to cover the higher costs of the wages and standards of living of American officers and seamen—not extravagant wages or living standards, by the way, but virtually what Americans are accustomed to command on shore.

The total cost of such compensation to an entire great American merchant marine is estimated at from \$12,000,000 the first year to between \$30,000,000 and \$40,000,000 eventually, when more than one-half of our seaborne commerce is carried, as it long was in the days of our fathers, by American ships and seamen. This development of American ocean shipping will instantly give the United States a naval reserve of ships and men without which, as Admiral Sims has said, our fighting navy would be useless and powerless against an enemy.

Those interests abroad, commercial or political—those foreign interests that for selfish reasons of their own do not want to see the United States possessed of an adequate merchant marine—are greatly cheered by the hope that the inland states that do not touch the sea will aid them to defeat this National American legislation which President Harding champions.

There was a time, many years ago, when these inland states balked at the thought of National assistance for the navy. As one public man of the Mississippi Valley then frankly said, "When foreign nations have a gun that will shoot a thousand miles inland I will be for a navy—and not before then!" We all know that broader and more patriotic counsels long since prevailed, and that the Americans of the Middle West have supported the Navy with money and with men



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What's to become of them? Idle American shipping tied up in the Hudson River waiting for the verdict of Congress

as staunchly as their fellow Americans of the seaboard.

Now the same change of spirit must be brought about with regard to the new American merchant marine. We have the ships; they are on our hands as an inexorable result of the world war emergency. That war demonstrated the absolute truth of what the ocean states had long been declaring to the inland states, that America must have a merchant marine not only for national security but for the safeguarding of our production and commerce.

When the World War suddenly broke upon us, and the ships of foreign nations that had been our principal carriers were largely withdrawn, our export trade was paralyzed in a few weeks. Having few or no ships of our own, we had to stand idly by and see foreign steamship companies exacting any freight rate they pleased for the handling of our grain, cotton and provisions—so that the Minnesota farmer received less for the entire process of producing his wheat than the foreign shipowner extorted for the carrying of that wheat from coast ports to Liverpool.

Emergency Costs

As a consequence, the whole country rose up and demanded American ships and more ships, which later were needed to convey our own troops across and to supply them there after they had landed. Those ships were built, but at a staggering emergency war cost of three and one-half billion dollars, which would have subsidized American shipping for half a thousand years. Those ships, that finally cost three and one-half billion dollars, could have been built in orderly, skillful fashion before the war for a little more than one billion.

Before the war mid-western farmers, too many of them, had asked: "Why should I be taxed, that my goods should be carried in American bottoms?" The great war has brought its staggering answer.

The "tax" or compensation for the higher cost of American wages and living standards on shipboard, which President Harding now proposes, would be at its utmost about 30 cents for each inhabitant of the United States.

That 30 cents would give the nation a great naval reserve, powerful shipyards, an army of skilled shipyard mechanics, and another army of skilled and trustworthy American officers and seamen. It would put an end forever to the possibility of freight rates on the farmers' products being forced up 1,000 per cent or more in another national emergency. It would be the very cheapest form of national and industrial insurance.

When the western farmer asks, "Why should I be taxed that my goods should be carried in American bottoms?" has he realized that the millions of Americans who live in the great populous seaboard states might equally ask, "Why should I be taxed that my foodstuffs should be raised by American farmers?"

For, unlike the ocean shipping industry, the farmers' industry is and long has been a highly protected business—protected by the tariff laws. Duties of 25 cents a bushel on wheat, of 42 cents a hundred pounds on potatoes, of 6 cents a dozen on eggs, of 8 cents a pound on butter, of 25 cents a bushel on apples, of 15 cents a bushel on corn, and so on, probably cost us something, but are nevertheless approved by the great majority of the American people because they believe that American farmers, like other American producers, should have fair play against the lower wages and standards of living in foreign lands. Why should not American shipowners and seamen be equally considered?

There is that other question: In what way does the shipping business differ from other businesses that it should receive direct aid? It so happens that the shipping business, because of its character and conditions, and because of the requirements of various treaties wisely or unwisely negotiated in the past, cannot now be protected, as the farmers are protected, by tariff laws. Both President Wilson and President Harding have decided that this method is inadvisable. Therefore, the direct aid, in addition to the indirect aids, of the new Shipping Bill is necessary. And it is not without precedent, as the question above quoted might suggest.

At the time of the Tariff Act of 1890—the McKinley law—the national lawmakers,

removing the tariff duty on sugar, substituted a direct bounty of so much per ton on all beet and cane sugar produced in the United States. An important branch of our national agriculture then became a directly aided industry—and there is no record that the sugar farmers objected to receiving assistance in that form. Why should they object to direct aid to ocean shipping?

Another question sometimes heard from the middle-western country runs like this: "If England, which owes us money, can carry our goods more cheaply than we can, why not let her do so?"

Because if England did this she would deprive us of a vitally necessary naval reserve which she now has and we have not, and the recent naval limitation agreement at Washington for equal naval force would be a farce and a fraud on the American people.

Canada also owes us money. Her lower wages enable her to produce wheat and other agricultural products more cheaply than the United States. But the farmers of the west have urgently demanded and received from Congress high protection against the farmers of Canada—a much higher ratio of protection, in fact, than American shipowners and seamen require against British ships.

On this question of ocean shipping, as on all other questions, it is exceedingly important that the American people should follow their President and think nationally. It is against the interest of every nation that any government should monopolize the oceans of the world. It is particularly against the interest of America which has the greatest export commerce in the world, and can least afford to have its delivery service dominated by its competitors. When the middle-west awakes to all the circumstances it will sustain the American merchant marine with the same generous patriotism with which it has learned to sustain the American Navy.

The Subsidy as a Farmer Sees It

By HARVEY J. SCONCE

"An Illinois Dirt Farmer"

THE FACTORS which enter into this question, and which make it one of the important national issues, enter into the business life of every American citizen. No one is exempt from the possibility of sharing the burden that the ship subsidy plan of President Harding proposes to relieve to a certain extent. The dominant factors of this question that make some action necessary are:

First: The great Emergency Fleet, built at a tremendous cost during the war, now slowly rotting and rusting into worthless hulks on our eastern seacoast.

Second: Excessive freight rates, both rail and water.

Third: The need of better facilities for placing agricultural and manufactured products of the middle west into direct competition with like products of other nations.

Fourth: The question of furnishing employment for the great number of men of the navy and seamen during the war, thrown out of employment, due to the reduction of armament and close of the war.

During the war a great emergency fleet consisting of 10,000,000 gross tonnage was created at an approximate cost of \$3,500,000,000.

We cannot now criticize the action of the administration in building this fleet of merchant vessels, for we subscribed to the program during the war. But we do feel now that something must be done with these ships, so that the Government may realize what it can from the investment, and if possible, convert this liability into an asset.

These ships are a direct liability now in their present condition as the cost of maintenance is quite heavy and this, with the depreciation and the deterioration, is becoming a burden.

Get Rid of 'Em!

BUSINESS methods should be injected into the program to such an extent that these ships should be disposed of in one way or another, as the farmer, the manufacturer, or the merchant has disposed of his surplus stock. He put his stock on the market at a greatly reduced price in order to move it, took his loss, and is trying to start all over again. The Government must put these ships on the market eventually in some manner. We cannot hope to receive anything like the original cost, but must accept what the market will determine. The loss must be charged off and the Government get out of business.

Every other industry has had to, accept new price levels and make new inventories, so it is up to the Government to relieve itself of this liability, and in doing so it is possible to convert this fleet into an indispensable asset.

The next factor which enters into the problem is the excessive freight rate, both on land and sea. The middle west, the seven great surplus producing states, which provide a great portion of the food products of the nation, is as isolated from competition with foreign nations as if

it were situated in the middle of the Sahara Desert. We cannot compete with Australia or Argentine at our own front door, due to the fact that water rates from these countries to New York are much lower than the rail rates from the Mississippi Valley to the Atlantic seaboard. With the excessive rail rates of the present, a ship subsidy would mean much more to the industrial sections of the country and the seacoast than it would be to those of us who are in the interior, while at the same time the burden of the subsidy would be borne equally by all of us.

This situation would be analogous to that arising from the Panama Canal, which has helped both coasts materially but which has had a tendency to increase freight to us who are in the interior, because that which the railroads lose from coast to coast through water competition, made more effective by the Panama Canal, must be made up in increased rates from the interior.

Let the Ships into the Lakes

THE way to offset this inequality is to create the Great Lakes-St. Lawrence deep-water way to the sea. This would be the best argument for the ship subsidy plan from the standpoint of the middle west farmer, as he then would have the opportunity of loading his agricultural products for foreign shipment practically at the front gate of his farm. He would have greater reasons to subscribe to the ship subsidy program if he could load his products at Great Lakes ports on American ships, which he had helped finance, and which would carry these products to foreign ports under the American flag and in competition with all other shipping, than if he had to pay an excessive rail rate to the Atlantic coast before his products are loaded on ships of a subsidized merchant marine.

We realize that a ship subsidy has the appearance of favoring a special interest at the expense of others. In many cases this is perfectly legitimate as it has been in the case of aid furnished by the Government to the railroads in times past in various ways. In fact, the railroads are enjoying at present government aid that is equivalent to a subsidy.

The airship transportation will necessarily receive a subsidy in order to assist it in developing into a national utility and an agency of defense. Federal aid in the building of hard-surfaced roads is a subsidy to the automobile industry and to the fortunate man who owns a farm adjoining one of these great highways, not only because the road furnishes better transportation facilities for the delivering of farm crops, but because it enhances the value of the farm many dollars an acre.

Congress at different times has voted funds to buy seed wheat for farmers of Kansas and North Dakota when drought or frost has left the farmer helpless. This

is a subsidy of course and it has been justifiable because it not only put the individual farmer upon his feet, but increased materially the nation's production in the ensuing year.

If, however, it were necessary to make appropriations every year to the farmers of these or other states for this purpose we should at once question the advisability of the action, and arrive at the conclusion that, if the country were not resourceful enough to reach an independent state within a comparatively short time, the whole people should not be taxed because of the inability of these regions profitably to produce.

This same principle is applicable to our American shipping. If we can get back on the high seas to the position which we held up to the middle of the nineteenth century, by the granting of national aid for a few years, it would seem justifiable. If, however, our national maritime resources are not adequate to meet this situation, it would seem that the cheaper competitor might well be granted the business.

From the producers' standpoint there is rather an alarming situation presented to the shippers of the nation and one which many of us consider detrimental to many of our industries. That is the linking of some of the big railroad interests with certain large ocean shipping interests, as a combination of rail and ocean shipping. This would be disastrous to American farming and to interior manufacturing interests.

Restoring Competition

WITH the emergency fleet in operation, competition would be restored to such an extent that the freight on American products would be greatly reduced to the consumer in foreign countries and this would be reflected to the producer in this country in a way that would return a profit above the cost of production, a thing we are not enjoying at the present time.

We realize that we are agriculturally an exporting nation, and know of the direct advantage of a merchant marine to our industry, but if we have a barrier of prohibitive rail freight rates between our farms and the sea, the merchant marine is not of very great benefit to us.

The farmer cannot see very much benefit from the subsidy plan if rail rates are not lowered or the deep water way is not constructed, and until this is done and the middle west farmer is placed on a parity with the manufacturer of coast states, he is not in favor of being taxed to maintain an industry that should stand on its own foundation.

The Government should dispose of the emergency fleet at the best figure possible, charge off the loss, forget about the disastrous experiment and get out of business.

If Congress approves the plan to construct the deep-water way to the Great Lakes, therefore putting all sections of the country on a parity relative to ocean shipments, then for the welfare of all concerned, it would seem advisable to enter into some plan where individuals and industries would be taxed and receive benefits alike.



The Hunter Who Wouldn't Shoot

By JAMES B. MORROW

WHILE millions of sovereign intellects of the republic are snake-dancing in the moonshine of yellow head-lines 3 inches high, and thousands of public thinkers, on their feet or at their desks, are evacuating mountains of ignorance and humbuggery, a man, here or there, is trying to straighten matters out.

It is tremendously hard work for the man, here or there—seemingly almost hopeless work, and but for his faith in the saving remnant of the nation he would probably give it up and turn his mind and zeal to something else. The saving remnant has delivered the country more than once from wrong and tomfoolery. Knowing it, the man, one pitted against ten thousand, stoned and mobbed by the multitude, battles on.

Seeing the sovereign intellects snake-dancing and hearing the public thinkers spouting fraud and foolishness, will a scrutinizing, analyzing and impolite stranger some day say that this is the empire of bunk, as well as the land of the free and the home of the brave? He may. If he remains long enough and travels far enough, he will discover, the stranger will, three kinds of public thinkers in America:

(a) Those who know the facts and can soundly reason them out to a rational conclusion. In number (maximum estimate) they are about 3 per cent of the aggregate.

(b) Those who do not know the facts, and (having neither industry nor ability) never can learn them; or, who, by accident, should they get the facts, could not, because of feebleness, deal with them sensibly. This class numbers, say, 45 per cent of the aggregate.

(c) Those who maliciously distort the facts, or concoct what they term the facts, and are always thinking of themselves (in their scramble for subscribers, votes and publicity) and never of the truth or the United States. They number, at least, 52 per cent of the aggregate. The diffusion of bunk, in the main, is directly chargeable to them.

This article pertains to one of the 3 per cents. He is a tall, slim, dark man, not yet forty. His name is Sydney Anderson; his calling, just now, a representative in Congress. Naturally, his business (which for eleven years has been politics) and his environment (which is and has been agricultural) would put him in class (c). But brains, conscience and courage (stress all three words) have kept him out of the muck of nonsense and demagoguery.

Read for a moment, and judge for yourself, his clearness, candor, wisdom, integrity and sobriety—he is explaining a mystery that has been gabbed about in every corner of the country: "There began in 1919," he says, "a great falling off in the exports of all agricultural products, except wheat and rye, and this, in my judgment, was the first cause of the decline in agricultural prices." (No chicanery, you see, cooked up in the United States.)

A Great Thing—Study!

HERE is a story of the steadying influence of studying a subject.

When Sydney Anderson went to Congress he was aflame with the wrongs of the farmer. He had followed the plow. He knew the small return for long hours of labor. He shared the rural belief that there was a conspiracy somewhere.

Perhaps that is why Representative Anderson was made chairman of the Joint Agricultural Commission of Inquiry. Perhaps it was thought he would make a report calculated to garner votes by the million. The report is yet to be printed. But these statements may be set down in advance:

The report will be on such a scale as has never before been undertaken to reveal the causes of the spread between cost of production and price to the consumer. It will answer the general outcry against the middleman, and justify his economic existence. It will not urge "cheap money," nor charge the profiteer with responsibility for all our woes.

So here's the story of Sydney Anderson, sent out with a squad to gun for the Money Trust, who dropped the gun and turned to digging up constructive stuff!

THE EDITOR

"And there occurred in this country," Mr. Anderson goes on to say, "shortly after the beginning of 1920 a very marked falling off in the consumption of agricultural products." (Not ordered by Wall Street or the railroads, nor by the banks.)

"This falling off of consumption (here, in this country), with the falling off of exports (sales to foreign countries), were, in my opinion, the largest factors in bringing about the marked decline in the prices of agricultural products, which the farmer experienced in the latter part of 1920 and the early part of 1921."

Not a line about garroting; not a sentence about brigandage. No one had his dwindling pocket forcibly turned inside out. No sworn brotherhood was there, among the depraved, to pillage the horny-handed toilers of the nation. Only this, bare of melodrama and sensation: Foreign countries could not purchase food and other items in America. And, making matters worse, consumers of food in this country began to economize, both as to quantity and quality.

So that was the status. Millions of words, uttered and written, words muddled and dishonest, mischievous and ridiculous, are disposed of in three short sentences.

Why did the eaters of food in the United States cut down their expenditures? "If you go back thirty years," Mr. Anderson replies definitely, "you will find that the consumption of wheat and beef are peculiarly susceptible to times of industrial depression, and that the decline in the consumption of beef and wheat has occurred in practically every period of industrial depression in the country's history." The answer then, reduced

to a single word, is "unemployment."

But why did foreign countries cease to make purchases in the United States markets? Because they had no money—no money which Americans were willing to accept in payment for their products. Their gold had come here during the war. They had nothing left but paper, with some printing on it, which was steadily diminishing in value. Manufacturers wouldn't take it. Farmers wouldn't have it. Workingmen wouldn't even look at it.

At the close of the war, in 1918, foreign nations, Mr. Anderson points out, had credits in this country amounting to two and a half billion dollars—all borrowed in the United States; every penny owed to the United States. When that was spent, after the war, purchases came to an end. Down tumbled the prices of the farmer's products. Up went the shutters of business. Plain as A B C.

Public thinkers, however, save the three-percenters, wouldn't or couldn't see the facts. Someone, somewhere, was responsible. The farmer was losing his land, the workman his employment, through the vile machinations of that criminal "someone," who was generally believed, on the quiet, to be Big Business, otherwise, The Interests.

"Find him," said Congress, in which request classes B and C joined their outraged voices. Thousands of the friends of the people, most of them professional, savage of face, swearing vengeance, elbowed to the front with demands, suggestions and plans of battle.

Everything was wrong. Everybody, unless he were a farmer, was a member of the robbers' coalition. The blanket indictment against the business men of the country was phrased, finally and inferentially, in the form of a joint resolution and introduced in the Senate and House of Representatives.

Learn, Congress ordered, the present condition of agriculture (which was deplorable and could be traced straight back to the "Money Trust"); the cause of the difference between the prices of agricultural products paid to the producer and the ultimate cost to the consumer; the banking and financial resources and credits of the country, especially as affecting agricultural credits; the marketing and transportation facilities of the nation (which were purposely contrived and operated to impoverish the farmer).

Changing the language somewhat of Henry S. Harrison, the story writer, this was a whale of an order. It is possible that the person or persons who prepared it and handed it to Congress never expected to see it carried out. But the agricultural classes would peruse it and understand that their paid agents in Washington were on their jobs. Five Senators and five Representatives were put to work, under Sydney Anderson, who was made chairman. Practically all of the ten men composing the commission of investigation belong to what is known as the Farm Bloc.

Fortunately for the cause of truth and common sense, an able, serious and pains-taking man, with the temperament of a judge and the talent of a scientist, was placed at the head of the commission. A professional friend of the farmer might have been chosen; or a demagogue. Mr. Anderson is a friend of the farmer, but befriending the farmer is not the way in which he makes his living or gets into public office.

"All that I desire," he told the writer of the article, "is the truth"; told it quietly, gravely. His reports on *The Agricultural Crisis and Its Causes*, 240 pages, and on *Credit*, 159 pages, have been printed. Other reports are now being prepared.

The work was organized by Mr. Anderson and has been under way since July 1, last year. Information has been obtained from all known sources. Ten thousand questionnaires were sent to the railroads alone; they required, on the part of the railroads, 25,000,000 calculations. And so on.

Profit or Margin?

MANY persons think," Mr. Anderson said, "that the difference between what a farmer receives for a hide and what a customer pays for a pair of shoes is profit. It is not profit but margin; and margin is made up of scores of cost items. In it must be added, for instance, the wages of the conductors, engineers, firemen, and brakemen who run the trains which carry the hide to the tannery, the leather to the manufactory and the shoes to the retail dealer; also the wages of the men who are employed in maintaining the tracks.

"Margin includes everything—interest, insurance, taxes, labor, rent, etc., all along the line, from the barnyard to the purchaser of the shoes. Then, changes in styles have a great deal to do with the cost of things. At a large store in Philadelphia, last week, I saw high-top shoes for women, gone out of fashion, selling for \$1 a pair. The merchant had paid the manufacturer \$9 a pair. Such losses, of course, are figured into the cost of doing business. I wish that everyone would realize the difference between profit and margin. It would help to a better understanding of business.

"And that is what the country needs above everything else—understanding; understanding of the farmers' problems; understanding of the problems of business. We have had too much careless and thoughtless talk in the United States. The members of the Joint Commission of Agricultural Inquiry hope that their forthcoming report on the railroads, on the distribution of products, will help the people to a better knowledge of that great subject. With knowledge, which means the facts, there will be more wisdom and more sympathy in the nation and less contention."

There is no story in the world, and never was, like the story of Sydney Anderson. He was a soldier at the age of fifteen—fighting at Chattanooga "in the battle of Duke's Mixture and coming nightly into contact with millions of armed and bloodthirsty mosquitos," to use his own language. At the age of eighteen years, eight months and twenty-nine days, he was a married man. "Neither of us (us being Miss Florence Belle Douglass and himself) had a nickel." But Sydney had a job at a sawmill, in Little Falls, Minn., where the wedding took place, and was earning \$1.40 a day.

When his savings amounted to \$80, he gave his bride \$40 and set out for Minneapolis, where, in the office of a collection agency, he was paid \$8 a week. His wife joined him at once and they began keeping

house in one room. In the evenings, Sydney walked three miles to save car fare and heard lectures at the University of Minnesota. He had previously studied law at Des Moines, after graduating at the high school of Zumbrota. He was born at Zumbrota, where his father, a native of Sweden, was a harnessmaker. His mother came from Norway. He was in the Zumbrota militia when the United States declared war on Spain—that is the reason he became a soldier.

Until his marriage, Mr. Anderson was out of money most of the time. He would study for awhile and then find work. At twenty, still employed by the collection agency, he was ready for the bar. Now he was earning \$75 a month. Then his employers sent him to Kansas City to open a branch agency. By this time he was nearly worn out, physically. Nor did he purpose to remain in the business of collecting bad debts. He wanted a quiet spot where he could practice law and recuperate his strength. Therefore, he settled in Lanesboro, down in the southeast corner of Minnesota, near the Iowa boundary. "Did you make a living?" he was asked.

"Y-e-s," he replied, somewhat uncertainly. "It didn't take much to keep us. I had no money, then; nor have I had any since."

Attorney-at-law and head of a family, Mr. Anderson, on his removal to Lanesboro, was twenty-two years old. That town has been his home now for eighteen years. By and by came 1910. Mr. Anderson's age then was twenty-seven, but he had been out in the world for a long time. In that day, James A. Tawney was a big figure in Washington. He was chairman of the Committee of Appropriations in the House of Representatives and one of the main wheels in the so-called Cannon steam-roller. When he winked, dynasties fell. A delegation of reformers, men who wanted in, and men who had been in but thrown out, called on Sydney Anderson. "We want to beat Tawney," they said. "All right; let's do it," Mr. Anderson replied.

The politicians laughed at the delegation, also at Mr. Anderson, who kept away from them and went to see the rest of the folks. Tawney was defeated for the nomination in thirty days. Mr.

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He is one of those rare mortals who can think in a straight line.

Anderson made 107 speeches. "But he can't be elected," the politicians croaked. But he was; and here he is, still a member of the House and stronger than ever in his district.

It is altogether likely that when Sydney Anderson came to Washington, that he believed in blowing things up. But—and here he differs from most economic and political revolutionaries—the Almighty gave him a love of facts and the power to think.

Men of judgment are saying that Mr. Anderson's report on the distribution of products will be the fairest and greatest document of the kind ever written and printed.

Argentina Needs a Farm Bloc

IN ARGENTINA live stock has fallen off 50 per cent in price within a year. Grazers are receiving less for their wool than it costs to put it on the market. Similar conditions prevail in other rural industries.

Several agricultural congresses have been held to seek a remedy for these conditions, and demands are being made upon the Argentine government for relief in the way of loans and in the way of price fixing. A plan somewhat similar to that in operation by our War Finance Corporation has been put into effect by the National Bank.

These facts are worth the attention of those who believe that agricultural distress in the United States is an isolated phenomenon. The financial slump which began in the Far East, and traveled through Europe to the United States, is now at its terminus in South America.



Congress in Its Lighter Moods

As Painlessly Extracted from the Congressional Record

THE sons of Belial are a daring race. The Hon. George H. Moses, Senator in Congress from the Sovereign State of New Hampshire, shocks his colleague, Mr. Norris of Nebraska, who has grown indignant discussing partisan assaults on our civil service:

Mr. NORRIS.—Mr. President, I am not willing in one breath to condemn Democrats for doing that and condone Republicans for doing the same thing under a Republican administration; and while Senators say, as has been intimated here this afternoon, that it would be a good thing to put all the Democrats out and put Republicans in, we did not get into office by making that kind of a campaign. We did not say that out in the campaign, when we were running and trying to get votes.

Mr. MOSES.—I did, Mr. President.

Mr. NORRIS.—Then the Senator ought to have been defeated, if he did that.

Mr. MOSES.—I was not. I had the largest majority ever had in New Hampshire.

Mr. NORRIS.—Then the Senator can keep on.

Mr. MOSES.—I am going to.

Mr. NORRIS.—The Senator can be a spoilsman all his life.

Mr. MOSES.—I am going to.

Mr. NORRIS.—I am not finding fault with him. If he went out and made that kind of a fight, then he can go on with perfect consistency and carry it out. I did not make that kind of a fight. The Democratic Party did not make that kind of a fight. The Republican Party did not make that kind of a fight. There was not anything of that kind in any of the platforms.

Mr. REED.—I want to state—and I have no quarrel with my friend from New Hampshire—that if he made that kind of a fight, the frank and manly thing to do, it seems to me—and he always does the frank and manly thing—would be to introduce a bill here to repeal the civil-service force and say, "We are going back to the old system. If we win the election, we are going to take the offices. If the other side win the election, let them take the offices."

Mr. NORRIS.—Exactly; any party that got into office on that kind of a platform would be justified in carrying out that kind of a project. What I have condemned is making a campaign through the country and getting into office on the theory that you are going to enforce the civil-service law in spirit and in letter, and then, when you get into office, turning your back on it.

Mr. MOSES.—If the Senator will permit me, I will say to him that any party that will make a campaign on that plank will sweep the country.

[A message from the President of the United States was transmitted.]

Mr. MOSES.—I hope the message contains the names of a lot of good Republicans nominated for office.

Mr. Mann Is No Jiner

PRIMARIES and election day draw nearer, spring is with us, the air is gentler and Congressmen grow more ferocious. They thunder at each other, not with ill feeling, you understand, but it is well to let the folks back home know that we are on our feet and our job.

Shall this government spend \$4,000 as its share of the Interparliamentary Union for the Promotion of International Arbitration? It shall, but first we shall ask what profits



the nation to spend this \$4,000? Mr. Burton is explaining:

Mr. MANN.—Mr. Chairman, will the gentleman yield?

Mr. BURTON.—Yes.

Mr. MANN.—Not being very much of a "jiner," I have never joined the interparliamentary group of the House of Representatives. I know a number of very distinguished gentlemen who are members of it, but what does this thing do except collect money?

Mr. BURTON.—They hold annual meetings. The last meeting was held last August in Stockholm.

Mr. MANN.—That is an occasion for a very pleasant pleasure trip, not of course at public expense.

Mr. BURTON.—Oh, no.

Mr. MANN.—For those who are willing to go. They are well entertained while over there, pleasantly received, but do they do anything?

Mr. BURTON.—They do, decidedly.

Mr. MANN.—What do they do? Tell us about it.

Mr. BURTON.—To begin at the beginning—

Mr. Burton moves on from that beginning, and when he's done, Mr. Mann seems content, but only mildly so:

Mr. MANN.—Mr. Chairman, far be it from me to say anything against the Interparliamentary Union. I am perfectly willing for a few gentlemen from the House to trot off to Europe on a pleasure trip and consult with people, whose language they cannot talk, on various subjects, and I am glad the gentleman

from Ohio [Mr. BURTON] has made the statement he has. This is the first time I ever have heard, I think, a single reference on the floor of this House, during all the years the Interparliamentary Union has been in existence, to anything that they have done. I think there has never been a proposition presented in the House for action by the House in conformity with any suggestion made by the Interparliamentary Union, which originally was organized to do two things—one to maintain peace in the world, and the other to reduce armies and navies. Armies and navies grew by leaps and bounds, and, in spite of the Interparliamentary Union, the greatest war we ever had followed along, with the members just as bitter against each other as anybody else was. But I am perfectly willing; while I do not think it will accomplish any great thing, and while I cannot see yet what they do between times, somebody is drawing a little money; probably they need it—

Mr. BURTON.—If the gentleman will yield, he must not blame us for our modesty in not having exploited before the House what we have done.

Mr. MANN.—If you had done anything, I think it would have been exploited.

Mr. Blanton's \$2 Hotel

TO those who have thought of slipping away for a rest but have been fearful of hotel prices, Mr. Blanton of Texas brings a ray of hope. Before the House is a bill making appropriations for the Department of State and specifically for the Canadian Boundary Commission. It provides "commutation to members of the field force . . . actual expenses not exceeding \$5 per day each. . . . Provided that when the Commissioner is absent from Washington he shall be allowed actual and necessary expenses not in excess of \$8 per day."

The discrepancy displeases Mr. Blanton. Mr. Mann seeks to explain:

Mr. MANN.—I can tell the gentleman why the proviso was put into the act. Some years ago it was found that the International Boundary Commission under the law and under the appropriation as it is in the bill, without a proviso, were charging expenses for subsistence practically 365 days in the year. Congress did not think it ought to be done. None of these gentlemen lived in Washington, none of them had an official residence in Washington; they were not engaged all the time on the work, but they were charging subsistence for all the time. So Congress put in a limitation that the only time they could charge subsistence was when they were absent from Washington or their regular place of residence on official business.

Mr. BLANTON.—I imagine that if the gentleman from Illinois was commissioner and had a force of men under him and had to put up in a hotel somewhere in order to get something to eat, he would not put up at an \$8 a day hotel and put his men up at a lower class hotel at \$5 a day, which this bill authorizes. In other words, it provides that his field force shall be allowed \$5 a day, and then it gives the commissioner \$8 a day.

Mr. MANN.—I would like to say to my friend from Texas that when I go to New York or even to Washington and stop at a hotel it costs me a good deal more than it does my secretary or any other employee that I may have.

Mr. BLANTON.—Mr. Chairman, at a great many of the hotels in the country you can get a room not on the first floor, with a bath, but you can get a pretty good room for \$2 a

day. Oh, I do not mean in New York, but I mean down in Oklahoma and in my State.

Mr. MANN.—But this commission does not go to Oklahoma or Texas.

Mr. BLANTON.—I know; but up in Canada things are not so very much higher than they are in the South, and you can get a pretty good meal for \$1 apiece.

The Difference Between Nails and Cattle

WE have been exhorted to think internationally in politics and business but some affairs will keep poking in just as we are getting a world view. Nor is Congress exempt. The bill making appropriations for the Department of Commerce is before the House of Representatives. Mr. Sears of Florida has declared that "you pay almost the price of a cow for a good sized steak. If you buy three or four lamb chops you pay for about a lamb."

Mr. Shreve of Pennsylvania has interposed to explain the necessity of instructing the American business man on packing for the export trade:

Mr. SHREVE.—We propose to tell the manufacturers of the United States something about packing. Well, now, I found on a trip down South that the people down in the Southland knew all about packing. I was calling on the Gulf States Steel Works and the manager asked me what I would like to see, and I said I would like to look at some of the work they were doing in the foreign trade. "Well," he said, "we will take you out to the barbed-wire mill." He took me out there, and there he showed me bales of barbed wire rolled up on a large spool with elongated parts so that two men could pick up one of these spools and run away with it. "Now," he said, "a spool of barbed wire will occupy almost three times the cargo space of ordinary barbed wire that is used in this country."

He took me over to the nail mill and I saw them putting nails in bags. I asked him why they did not use kegs for the nails. "Oh, well," he says, "the reason is that these nails are to be sent to South American ports and from there they are to be sent back into the interior of the country on pack horses or mule trains, and so they have to be packed in that way." There is a propaganda of a lot of people

who set forth that we do not know how to pack our goods, but the truth is most of the time we are overpacking rather than underpacking. I know of a case where we had a foreign order to go to the people of South American countries of ribbons, and the South Americans wanting the ribbons suggested they be put in a hogshead. They put them in a hogshead instead of packing them in cartons and boxes, because when they got to South America they levied tariff on the weight of the whole package and they would have had to pay a tariff on a lot of pasteboard boxes. We learned a lesson that time.

Mr. SEARS.—Will the gentleman yield?

Mr. SHREVE.—Yes.

Mr. SEARS.—When the gentleman was stating in regard to our export trade I was thinking about when I sold a hog for \$8 which cost me \$16, and I would like to call the attention of my good friend to this fact that you can keep the nails but you can not keep beef and cattle. You can just lay your nails aside awhile, but when you get to farm products, something that the people must have to live that they have to have, they must be immediately disposed of.

The Battle Against Ignorance

By A. L. HUMPHREY

President, Westinghouse Air Brake Company

WHILE reading the statistical records on education in the census reports for 1920, I was amazed, as I am sure any other American business man would have been if he had taken time to peruse the same documents, at the exhibition of illiteracy among our people.

That census just mentioned informs us that there are 82,739,000 people above the age of ten years in the United States, and of this number some five millions can neither read nor write. Tests made on drafted men in military camps lead to the conclusion that in addition to this five million there are another fifteen million who can write their names, but cannot write a letter or read a newspaper.

Just think of it! And this is a country whose every hill—as we have often been told by the Fourth of July orator—is crowned by a little red schoolhouse, a country which leads the world in industrial, commercial and financial achievements, but which shows a greater lack of education than Sweden, Norway, Switzerland, Holland, Australia, England and Germany.

Napoleon the First said that a man who could read and write was worth twice as much as the man who lacked these accomplishments. The late Franklin K. Lane estimated that an illiterate was worth 50 cents less a day than a literate, and if we accept Mr. Lane's estimate as a fact, then the United States is losing through its neglect of universal education the enormous sum of \$825,000,000 each year.

The Director of Mines and Mining attributes 1,000 deaths annually to illiteracy. Industrial accidents are vastly more common among those who cannot read the warning signs than among those who can.

We often hear the subject of illiteracy lightly dismissed with the assertion that it is centered among the negroes in the South. But although it is true that the percentage of illiteracy is high among negroes, it is equally true according to the census that there are in Louisiana 78,800 native white illiterates of native parents; in Georgia,

67,000, and in Kentucky, 110,000. That illiteracy is not a sectional problem is shown by the fact that in the State of New York there are 425,000 illiterates; in Massachusetts, 136,000; in California, 95,000; in Maine, 20,000; and the same applies to nearly every state in the Union.

We talk of America as the land of opportunity. We assume that every child in this country has the opportunity to get an education. True enough, but that is not sufficient. To make this opportunity available it is essential to inculcate into every child a longing for an education. Education is one of the most potential assets of a nation, and our educational system should be built upon a basis of attractiveness, desirability and accessibility.

What, then, is the answer? In order to reduce this lack of education and illiteracy to the minimum, two things are called for, the establishment of the best educational system that can be devised and the enactment as well as the enforcement of laws that will safeguard this system and render its application as nearly as possible perfect.

Note the number of small boys who serve you during school hours as newboys, as bootblacks, as messengers, etc. Why are they growing up without the schooling so necessary to them in their success in life? Partly because of a general carelessness in the enforcement of school attendance laws, partly because these laws are inadequate to cope with the situation and partly because we tacitly condone this offense against the law ourselves by giving employment to children at an age during which they ought to go to school.

There are hundreds of thousands of children in America today who are not getting any schooling at all and other hundreds of thousands who have never gone beyond the rudiments. It is noted that out of every 1,000 beginners in the public schools 290 drop out before they reach the seventh grade and 76 more before they reach the eighth grade. Then again those who are enrolled in the schools do not attend with regularity.

The ratio of attendance to enrollment in the schools of the South is less than 60 per cent. The schoolhouses are there, the teachers on duty, but the pupils do not arrive. We waste every year \$194,000,000 in the United States through irregular attendance, and much of that irregular attendance may be charged up to public lack of interest in good health. During the last six years 45 per cent of the absence in the schools of an important city has been caused by sickness.

There are in the United States approximately 22,000,000 school children; 1,000,000 are unable to hear properly; 5,000,000 have defective eyes; 4,500,000 are undernourished; 11,000,000 have defective teeth; 1,000,000 have now or have had tuberculosis.

It is from such material that the country must recruit the ranks of industry, of business, of finance, of commerce, and the professions. The times demand men and women who can stand the strain of the most trying commercial and industrial conditions the world has ever known. How are we preparing?

A recent investigation of the rural schools in Missouri revealed the fact that 42 per cent of the rural schools had window panes missing. A survey of the school buildings in New York City brought to light shocking conditions affecting health. Evidently conservation in this all-important element has not proceeded as far as it might.

Those who realize the vital importance of education to a nation, if it is to maintain its civilization, differ widely on some parts of their program, but on certain fundamentals they cannot differ.

First: We must get rid of the intelligent illiterate by making him intelligently literate. We are sufficiently handicapped by our naturally feeble-minded without the added burden of the ignorant and uninformed who are otherwise normal. From the industrial point of view, such men give the reason why there is so little foreman material in the rank and file.

Second: With minds that can function we must have bodies that can function too.



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Typical scene in one of the mountain regions of the South. Illiteracy is by no means a matter of geographical bound-

aries. It is to be found on the East Side in New York City as well as in the mountains of Kentucky and Tennessee.

When nearly a quarter of our young men fail to measure up to army standards, we can be sure that the peace work of the nation suffers from physical inefficiency.

Here then are two simple objectives for those who seek the social and commercial advancement of America. Simple in statement, simple in their appeal to common sense, they are tremendously important and very difficult to achieve. One difficulty is to bring home the facts to you who read these lines. The facts for the nation are impressive, but they seem far off. In truth, they are close to you, in your home town. Look them up. There may be in your city five hundred, three thousand, thirty thousand illiterates! You pass them on the streets each day. You come in contact with them in industry. There is your part of the job.

It is gratifying to me as a member of the Civic Development Department of the National Chamber of Commerce to note the splendid work that the Chamber is doing. As a matter of passing interest, it might be in order to relate that during the past six months the United States Chamber has passed on information concerning the school situation to local chambers of commerce, and through the influence of the local chambers, 140 committees representing these organizations are cooperating with the Civic Development Department of the National Chamber in concerted effort to better educational conditions.

Let us hope that sufficient interest may

be created in this splendid cause soon to bring about, in place of 140 committees working to this end, 1,400 local committees. This is the solution to which practical business men should give their serious thought.

The problem extends to their locality; no

community is escaping, and unless the business men of the country organize for the purpose of remedying the unfortunate present prevailing conditions through business, civic, and commercial organizations of the country, we as a nation shall suffer.

New Way of Choosing Directors

AN UNUSUAL amount of interest has been aroused in the election of directors of the Chamber of Commerce of the United States to take place at the tenth annual meeting of the Chamber to be held in Washington, May 15 to 18.

This year's election brings into operation a new system of nomination, instituted as the result of a referendum vote on an amendment to the by-laws taken among the business organizations making up the Chamber's membership. The change further carries out the purpose of having the whole election machinery directly in the hands of the organization membership and has advanced the simplification of procedure which has been sought since the beginning of the Chamber.

One result is that a large number of proposals for membership on the board have been brought forward. In one district eleven men's names have been advanced. This insures a careful selection of personnel in making final nominations.

Under the new plan original proposals for

the Board of Directors are made by presidents of organizations. In making each proposal at least five presidents join. These proposals are then considered by the National Council, wholly composed of representatives of the constituent organizations, each organization having one representative, and the selections of the National Council go before the annual meeting as nominations. The annual meeting is composed of delegates from the organization members, each having one to ten delegates in accordance with its size.

There always has been on behalf of the Chamber a desire to avoid having an existing board of directors appoint a nominating committee to put up men for vacancies on the board, a practice that is pursued in some organizations. The new method adopted even goes so far as to eliminate by direct prohibition all participation by officers and by members of the board in nomination and election.

Under the method which has been superseded by the new plan the process of selecting

nominees began with the appointment by the National Council of a committee and this committee then acted as the nominating committee. The new plan causes the process to go back to the organizations themselves, through their presidents and makes the whole National Council a nominating committee which is as representative as the entire membership of the Chamber.

The simplicity of the new plan lies in the fact that each organization, through its president, can join with four other organizations and present a candidate. This allows for a great number of proposals and gives time for consideration. Sixty days is given in which to make proposals and it leads to the ultimate in preparedness when the annual election is held.

There are seventeen vacancies on the board every year, the terms of half of the members expiring. Eight of the vacancies occur among directors representing departments and nine among the regional directors. Sixteen members of the board represent eight departments of industry and commerce and each of nine geographical districts has two directors.

The time limit for proposals for candidates has now expired. The next step is consideration and nomination by the National Council. For this purpose the council will meet on the morning of May 15 and will proceed by vote to eliminate names under consideration until only two remain for each vacancy. If there are vacancies for which at least two names have not been proposed the Council has the duty of itself adding names before voting. The meeting is held in two sections, one section composed of delegates from trade organizations, who have the task of selecting for a full meeting later in the day two names for each of the vacancies among departmental directors, and the second section composed of delegates from local commercial organizations, who select two names for each of the district vacancies.

At the afternoon meeting of the council the voting is on the two names that have been chosen in the morning balloting for each vacancy, the whole council balloting for each place.

In the morning meeting attention will be centered upon completing proposals and balloting, without discussion of the new proposals; in the afternoon, however, debate upon nominations will be unlimited.

At the present stage each national councillor has a duty to consider the names he should propose on May 15 for the purpose of completing the lists upon which the voting will begin. Every councillor, as well as his organization, has received a list of all the proposals which have been made by presidents, each name being accompanied with a description furnished by the presidents who proposed it. Thus, the councillors are in a position to inform themselves by consulting their organizations, both as to the further names that may be needed to complete the lists and regarding the names upon which they will vote. If the councillors utilize the opportunity they have been given they will assure the success of the whole procedure, devised to produce thoroughly representative nominations.

District No. 6 with its eleven names leads in the number of names proposed by presidents and now before the councillors. District 2 is second with seven. For directorships connected with departments proposals have not been so numerous. The minimum quota of two names has been reached only for domestic distribution and insurance. This means that for all the other departments the appropriate councillors now have the

obligation of coming forward with suitable names.

DISTRICTS

ELECTION DISTRICT I

Henry S. Dennison, President, Dennison Manufacturing Company, Framingham, Mass.
Alvan T. Simonds, President, Simonds Manufacturing Company, Fitchburg, Mass.
Harry I. Thayer, President and Treasurer, Thayer-Foss Company, Boston.

ELECTION DISTRICT II

W. R. Coyle, Vice-President, Weston Dodson Company, Inc., Bethlehem, Pa.
William M. Crane, President, William M. Crane Company, Jersey City, N. J.
J. C. Dold, President, Jacob Dold Packing Company, Buffalo.
John Kearns, General Manager, Lee Tire and Rubber Company, Conshohocken, Pa.
W. W. Kincaid, President, Spirella Company, Inc., Niagara Falls.
Ernest T. Trigg, Vice President and General Manager, John Lucas and Company, Philadelphia.
John H. Uhl, Vice-President and General Manager, Penn Tobacco Company, Wilkes-Barre.

ELECTION DISTRICT III

John M. Crawford, President, Parkersburg Rig and Reel Company, Parkersburg, W. Va.
H. H. Shackleton, Resident Manager, Michigan Trust Company, Rome, Georgia.
Alvin M. Smith, President, Smith Courtney Company, Richmond, Va.

ELECTION DISTRICT IV

M. J. Sanders, Ocean Transportation, New Orleans.

ELECTION DISTRICT V

John W. Shartel, Vice-President, Oklahoma Railway Company, Oklahoma City.

ELECTION DISTRICT VI

Paul F. Beich, President, Paul F. Beich Company, Bloomington, Ill.
Andrew G. Barry, General Manager, Fort Wayne Box Company, Fort Wayne, Ind.
Fordyce B. Caswell, Sales Manager, Champion Spark Plug Company, Toledo.
Edwin C. Gibbs, Insurance (retired), Cincinnati.
Lewis H. Jones, President and General Manager, Detroit Copper and Brass Rolling Mills, Detroit.
Charles F. Kettering, President, The General Motors Research Corporation, Dayton, Ohio.
Edwin S. Nail, President, The Farmers Savings and Trust Company, Mansfield, Ohio.
John W. O'Leary, Vice-President, Chicago Trust Company, Chicago.
John Q. Ross, President, Union National Bank, Muskegon, Mich.
John A. Shields, Manager, Blish Milling Company, Seymour, Ind.
A. B. Williams, First Vice-President, Postum Cereal Company, Battle Creek.

ELECTION DISTRICT VII

William J. Dean, President, Nichols, Dean and Gregg, St. Paul.
A. L. Killian, Vice-President, The Killian Company, Cedar Rapids, Iowa.

ELECTION DISTRICT VIII

Clyde C. Dawson, Attorney, Denver.
H. M. Rowe, Live Stock, Banking and other business, Ogden, Utah.

ELECTION DISTRICT IX

O. M. Clark, President, Clark and Wilson Lumber Company, Portland, Oregon.
Maynard McFie, Manager, W. T. McFie Supply Company, Los Angeles.

CIVIC DEVELOPMENT

Harlan P. Kelsey, Architect and Engineer, Salem, Mass.

DOMESTIC DISTRIBUTION

Alfred D. Hitz, George Hitz and Company, Indianapolis.

G. Barret Moxley, Vice-President and General Manager, Kiefer-Stewart Company, Indianapolis.

W. O. Rutherford, Vice-President, B. F. Goodrich Rubber Company, Akron.
Thomas E. Wilson, President, Wilson and Company, Chicago.

FABRICATED PRODUCTION

George P. Blow, Chairman of Board, Western Clock Company, LaSalle, Ill.

INSURANCE

H. G. B. Alexander, President, Continental Casualty Company, Chicago.
James S. Kemper, President, Lumbermen's Mutual Casualty Company, Chicago.

NATURAL RESOURCES PRODUCTION

Charles S. Keith, President, Central Coal and Coke Company, Kansas City.

FINANCE, FOREIGN COMMERCE AND TRANSPORTATION AND COMMUNICATION

(No proposals made.)

Congress and Trade Associations

TRADE ASSOCIATIONS may become a subject for Congressional study. On April 3 a resolution and a bill respecting trade associations were introduced in both Houses. The resolution calls for a joint Congressional committee to investigate and hold hearings. The investigation would be into "existing conditions of industry and commerce in the United States and the markets of foreign countries in so far as the same directly affect industry and commerce of the United States, including questions as to production, labor, and business methods."

That is a pretty broad field for investigation. The joint committee would presumably keep in mind the subjects on which it is to report. It would be asked to report, and to suggest legislation, with special reference to the most effective ways and means to—

- (1) Revive industry and to stimulate foreign and domestic trade;
- (2) Stabilize business conditions as to the future;
- (3) Minimize the danger and distress of recurring periods of business depression;
- (4) Define the rights and limitations of cooperative organizations as distinguished from illicit combinations in restraint of trade.

In the text of the resolution the point about the rights of cooperative associations comes last. It is emphasized, however, by being placed in the title of the resolution and by the importance given to the subject of trade associations in the preambles. Activities in eliminating waste, simplifying and standardizing methods, and promoting efficiency in other ways are declared to be beneficial factors in economic progress. The industrial tendency is said to be toward substitution of research and scientific business methods for previous uncertainty and ignorance. Business is described as hesitating because it is unable to obtain guidance, legal or governmental, which will clearly indicate the proper lines of conduct in business association, and is declared to be entitled to know in definite terms what it can and cannot do.

The bill which was introduced at the same time is apparently intended as a suggestion about a method in which the proper lines of conduct in business association might be ascertained. It is understood that this bill will not at present be advanced, but will serve only for discussion before the joint investigating committee, if it is created.

Under the terms of the bill, each trade association the members of which engage in interstate or foreign commerce would have to

file with the Federal Trade Commission a complete description of the association and its activities and all of the statistics it gathers. At least seven days in advance, each association would have to give notice of all meetings, including meetings of committees.

The powers of the Commission would be increased. In the first place, it could require any association to furnish any additional statistics the Commission might require. Moreover, it would have discretion to prevent an association from distributing its statistics to its members. In the second place, the Commission could have its representatives attend any meeting of an association or its committees. At any time the Commission has reason to believe that an association is violating the anti-trust laws, it could file its formal complaint and, so far as it found the complaint supported by the facts, it could by written order, specifying in what respects there was illegality, require the association to cease from the violations.

So far the bill is purely regulative and does not provide for the guidance which the preambles of the resolution mention. In order to obtain the benefit of the provisions of the

bill which are obviously drafted for this purpose an association would have to begin by applying to the Commission for a certificate to the effect that the Commission approved the organization and its purposes as not in violation of the anti-trust laws. This certificate would have the effect of *prima facie* evidence in any court that there was not violation of these laws.

After an association obtained this certificate it might apply to the Commission for a specific ruling as to the legality of any existing activity or proposed plans, including plans for establishment of just and proper trade practices.

The Commission could respond, either with its certificate upon the application, this certificate having the same effect as the first, or by calling in the members of the association and all the persons engaged in the same line of industry and having them confer. Such a conference of the members of an industry could agree with reference to methods of cost accounting, trade statistics, trade definitions, trade practices and customs, unfair practices, and other similar matters which relate to the industry as a whole and in which uni-

formity is in the best interest of the industry.

These agreements, which might be by majority, then would go before the Commission. If they needed modification to make them legal, the Commission would make suggestions for change, if necessary even trying out a question by using its procedure of filing formal complaints. When the agreements have been placed in such form that the Commission can approve them as not violative of anti-trust laws, it will issue its certificate.

This procedure could have another effect. If the agreement approved by the Commission had received the assent of a majority interest in the industry, as measured by volume of business, it would become the law merchant for that industry. Deviation from this law merchant would be treated by the Commission, in accordance with its present law, as unfair competition, either for members of the association or for persons outside the association who did not participate in the conference; as to the latter, however, the "law merchant" of the industry would apparently be no more than *prima facie* evidence as to unfair competition.

"The Smirch of Bonus Legislation"

By DR. CHARLES W. ELIOT

President Emeritus of Harvard

NO American who served as a soldier in the Great War, either as an officer or a private, was induced to undergo the hardships of a soldier's life or to run its risks by the pay which the country offered him. The American volunteers who fought for the Allies before the United States entered the War, as well as the drafted men who later fought in France and Italy on the side of the Allies, were not induced to do the horrible work of a soldier by any money payments promised them. There was no mercenary service. One and all they braved disease, wounds and death because they thought that humanity in general would be the gainer if Germany could be defeated, or felt instinctively that American democracy would be strengthened and furthered if all the autocratic empires in Europe could be crushed, or hoped that the world would be a better place for men and women to live in if an end could be made of war by one supreme effort of the liberty-loving nations. To be sure, a small proportion of both the volunteers and the drafted men enlisted gladly because of a strong love of adventure and of combat; but these were an insignificant minority, and on them no money motive had any effect.

The American soldiers of the World War are divisible into three classes: First, those who came through their terrible experiences as soldiers without any serious or permanent injury, and returned to civil employments in which they are self-supporting; secondly, those who are sick or disabled, either permanently or temporarily; and thirdly, the dead.

The proposal that a few hundred dollars should be paid to each man in the first class as a compensation or as an "adjustment" of his loss in serving as a soldier instead of remaining at home and working at high wages is a degrading and even insulting

one; because it suggests that the hardships, sufferings, and risks of the American soldier in the World War can be paid for in money. The real reward of these men is in the gratitude of their country and the world for the brave service they rendered, in the pride of their families and their descendants in the future that each one of them bore a brave part in the fight for justice and liberty in a memorable crisis of the world's history. This is the great and sufficient reward, which is smirched though not deeply damaged by the contemptible proposal to add to it a few dollars.

The second class of ex-soldiers should be cared for by the country not only effectively, but tenderly and generously, not with a pitiful bonus, but with constant testimony of love and respect. The Government and the Army have failed seriously in their duty to these men; because neither the Public Health Service nor the Army Medical Staff has been up to this heavy work. The remedy is in building up the Public Health Service and the Medical Staff of the Army by giving higher pay to such officers, and providing adequate appropriations by Act of Congress. Neither the word bonus nor the word compensation should ever be used in connection with this second class of ex-soldiers. The idea which underlies those offensive words has no application to them.

As to the third class, the dead, they are safe from the smirch of bonus legislation, and their parents and friends should also be. Their names are going to be recorded in all the towns, villages, and hamlets from which they came, and in all the schools, colleges and churches from which they went forth as those of men who in their death did honor to their country and their race, and to whom many generations of neighbors and kinsfolk will point with pride.





Patriotism and the Bonus

THOSE friends of the soldier who are trying to force through a cash bonus for uninjured service men are fond of denouncing as "war profiteers" any one who points out the dangers of such legislation. They are also apt to assume that they can tell "100 per cent Americans" from those of lesser degree.

It might be interesting to these bonus advocates to know how their patriotism looks to some Americans who came here from abroad. We give below a quotation from an Italian paper, *La Voce del Popolo*, published in San Francisco:

From a moral point of view, the question seems absurd. We cannot understand why the nation should be submitted to new sacrifices in order to pay a bonus to the soldiers who were called to defend their own homes. Military service is nothing but a personal contribution to the defense of the state, a contribution which is asked of all citizens without distinction, provided they are physically able and of the right age to do their duty, in defending their country with their arms.

By pretending a compensation, we are placing the individual above the state, while the individual and the state should be as one entity.

In other words, by paying the soldiers for their service, it would signify that the soldier is a stranger to the state and that his services were not a duty, but a compulsion for which he now asks a recompense. By this, we do not mean to say that it is not the duty of the government to aid all those who were wounded and who are now unable to work. But this is very different from paying a general bonus to all the soldiers who do not need it.

The Trials of Sales Managers

DISTRIBUTION is beset with problems for the sales manager of a company manufacturing an article of wide use. In order to get the volume of distribution which will warrant the advertising that is done nationally to create a demand, will permit economical production in the factory, or contribute in an important way toward some of the other purposes he has been taught are laudable, economically and legally, he will seek to keep the channels of distribution open to their fullest extent, with wholesaler, jobber, and retailer each working in his own sphere at highest efficiency.

From time to time he has had some shocks, however. Several years ago a question was raised if he had to sell to all applicants. Eventually, the courts said he was under no such compulsion, and he could sell, or refuse to sell, as suited his fancy. After settling back to his job and going along comfortably for a time, he received another shock in March; for the Federal Trade Commission then declared that, if he did choose to sell he had to sell on the same terms as the terms he made to anyone else for the same quantity of the same article.

This is contrary to the philosophy of many sales managers. That a "consumer" is entitled to the same prices from the manufacturer as a retailer and that a retailer should have the same prices as a wholesaler puts things topsy turvy, from the point of view of a man who sits in an office and tries to keep an army of men pushing his goods in every corner of the country. His theory is that the wholesalers perform a service which is essential to the manufacturer if the full volume of the manufacturer's goods is to reach consumers, and that this service should be attended by a compensation in price which is not made when the goods go directly to the retailer. Respecting the case of retailer versus consumer, the sales manager, if he would sell to consumers at all, has usually held to the same principles in theory and practice.

Manufacturers of talcum powder and artificial fishing bait have now been ordered by the Trade Commission to desist from such price discrimination. The manufacturer of bait had given the

retailer a lower price than the individual fisherman and the wholesaler a lower price than the retailer. The manufacturer of talcum powder apparently refused to have anything to do with any user of his product, no matter how generous in quantity, but gave the wholesaler a price better by 3 per cent than the retailer who might buy the same quantity, at the same time classifying "buying exchanges" and other cooperative agencies of retailers as retailers.

Apparently it is this classification that led the Trade Commission to act. At any rate, in its findings about talcum powder it devotes much space to the service it believes can be given by cooperative agencies.

However this may be, there is to be a court decision upon the whole matter. The talcum manufacturer is taking an appeal and the maker of bait may do likewise.

Forcing Better Trade Practices

FOREIGN CUSTOMERS who do not live up to their contracts are to be brought to book, according to plans which the Bradford Chamber of Commerce, in England, will put into effect next July. The plan is aimed at a class of traders who, because of their business course, got the title of the "Black Gang" in the Near East. The Bradford Chamber says it is not unaware that some of the same fraternity dwell within the United Kingdom, but relies on the law to deal with them.

After July 1 a member of the Bradford Chamber may file with the organization charges of dishonorable business conduct on the part of a business concern in British possessions or in foreign countries. The charges will be considered by a committee which, in proper cases, will address the concern of which complaint is made, detail the charges, and ask (1) a satisfactory explanation, (2) a proper settlement, or (3) submission to arbitration before the Bradford Chamber.

If the concern does not respond in any of these three ways, its name will go upon a confidential "Offenders' List," and if it is placed twice on that list by reason of complaints coming from at least two different members it will go upon a "Black List," which is to be published.

The Bradford Chamber says it prefers this procedure, resting upon the force of publication, rather than the procedure of some British organizations which require their members to cease dealing with concerns placed upon their black lists.

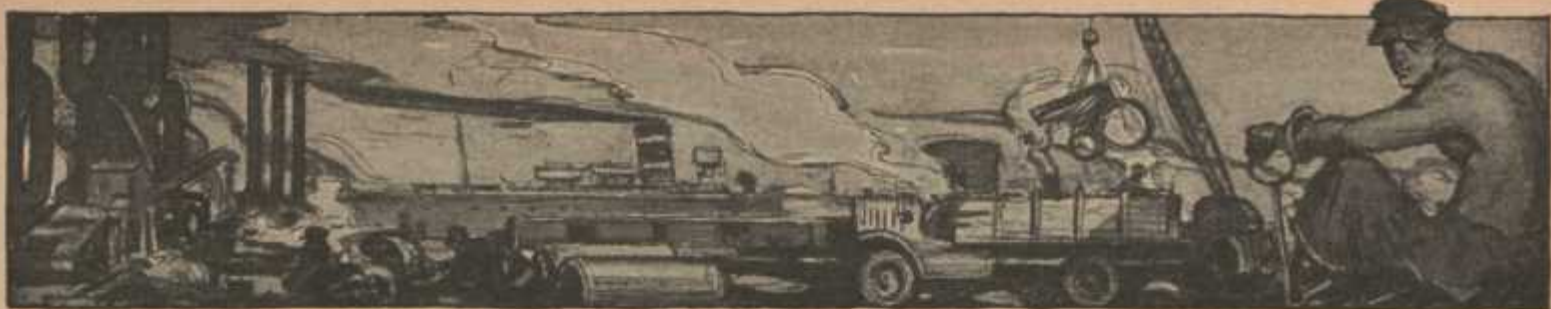
Protect Our Banking System!

ABOUT forty bills to amend the Federal Reserve Act, most of them reflecting the crotchets and vagaries to which amateur financiers are subject, are pending in Congress.

A few of these measures, to be sure, are constructive; but the majority of them are symptomatic of an impulse to meddle with the operations of a banking system which has already proved its worth in the greatest economic upheaval the world has ever seen.

It has been openly charged, moreover, that efforts have been made to control the system's discount rates and to alter the composition of the Federal Reserve Board. There is a dangerous tendency to inject political influence into the administration of the system and thus to undermine its independence. Nothing can be clearer than that it should be absolutely free from any suspicion of partisan taint. It should be protected with the utmost vigor from efforts to manipulate it in the interest of any class. Otherwise public confidence in its integrity and authority will be shaken.

The history of the First and Second Banks of the United States, which were chartered to perform pretty much the same functions



as our Federal Reserve Banks, should be an adequate warning in the circumstances. Both, as the operations of their charters approached, were subjected to hostile political attacks. In each case a renewal of their charter was defeated. As a consequence, the United States was without adequate banking facilities for seventy-seven years, until 1913, and was subject to disastrous recurrent panics which involved the suspension of specie payments.

The charter of the Federal Reserve System has but twelve years to run. During the seven years the system has been in existence (a year was required for its organization) the world has been so disturbed that no such bank organization could have functioned to the entire satisfaction of everybody; but there are very few who deny that our system has proved nevertheless of extraordinary usefulness and value to the country. We believe that the chief peril confronting it is the injection of politics into its affairs. Against this danger the greatest safeguard is an aroused public opinion.

Trade That Touches All of Us

WE ALWAYS LOOK to George E. Roberts of the National City Bank to put things clearly. He told the Export Managers' Club at their recent meeting in New York what had happened to the world and gave a pat and pertinent illustration.

Russia, he said, was one of the great tea drinking countries of the world; India was one of the great tea producers. The war stopped Russia from tea drinking and India couldn't sell her tea. India is a great cotton wearing country, but if she couldn't sell her tea she couldn't buy cotton, so the mills of Manchester shut down. If England's mills were not running our Southern farmers could not sell their cotton and they in turn shut down on buying.

What is true of tea and cotton is true in a greater or less degree of the hundreds and thousands of things that make up our daily life. The Australian market for shoes affects the mill towns of New England and the fashion in stockings in Argentina is reflected in the payroll of a Philadelphia worker.

The Railroads Are Buying Again

AS RAILROADS find their way towards physical betterments, the industrial outlook brightens. They can spend only as they earn, and must spend what they earn (or can borrow money against the prospect of earning) only under the supervision of the Interstate Commerce Commission; but their plans may be accepted as an added symptom of the renewal, to be seen on every side, of business activity.

The Illinois Central Railroad is asking for authorization of a \$50,000,000 stock issue to electrify its Chicago lines and repair its terminals there. The Atchison, Topeka and Santa Fe wishes to spend about \$33,000,000 on the construction of new track in Arizona and Kansas, new equipment, new bridges and trestles, stations and office buildings, shops and maintenance. The Union Pacific Railroad will spend approximately \$29,000,000 this year for additions and betterments, new equipment and short-line extensions. The Northern Pacific hopes to spend \$19,000,000 during this year for similar purposes. The Denver and Salt Lake has applied for authority to construct a six mile tunnel at a cost of more than \$6,000,000, through the Rocky Mountain Divide. Additional rolling stock and repairs are needed and are likely to be bought by the Savannah and Atlanta, the Denver and Rio Grande, the Buffalo, Rochester and Pittsburgh, the Boston and Maine and the Philadelphia and Reading.

One of the big rail orders that has been placed is that of the

New York Central for 180,000 tons. This road has also ordered 16,000 freight cars and 75 switch engines. It is estimated that orders for 34,000 cars have been given equipment companies since the first of the year.

This enumeration does not pretend to be complete, nor is there certainty regarding any of the items except that the expenditures are urgently needed. But the items are an imposing augury of that reawakening which this one phase of construction promises to bring to business.

Billions of Tax-Exempts

TAX-EXEMPT SECURITIES outstanding at the beginning of 1922 have been estimated by members of the Treasury Department's staff to have been issued, by different sources, in the following amounts:

State, county and minor political subdivisions.....	\$8,142,000,000
United States bonds	2,184,000,000
Federal Farm Loan bonds	284,000,000
Bonds of insular possessions	50,000,000

These estimates, covering a total of \$10,660,000,000, contain no allowance for the partially tax-exempt obligations which are outstanding.

The Supreme Court and a Social Emergency

A SOCIAL EMERGENCY, caused by an insufficient supply of dwelling houses and apartments, justified the use of the police power as exercised in the New York rent laws, the Supreme Court said on March 20. The court had earlier had a case turning upon these laws. In the recent case some additional points were advanced against the state laws, but the Supreme Court said that, once the substantive statute of a state is constitutional, the state has wide discretion as to the remedies it will provide under the statute.

Smelling Your Music

WE LOOK to science to lead us onward, to open up new fields of industry. Nor are we disappointed. Here comes Dr. Marston T. Bogart, professor of organic chemistry at Columbia, to tell the American Chemical Society that smells can be arranged in a scale as sounds have been. He does not claim all credit to himself. He informs his listening fellow scientists that the brain of Dr. Septimus Pliesse gave birth to the idea and that Dr. Pliesse devised an "odophone" to put in practice the proper harmonizing of smells.

Dr. Pliesse figured that heavy odors such as patchouli and vanilla represent the bass notes and that sharp smells like peppermint and citronella are the high or treble ones.

We seem to see—or smell—the orchestra of the future about to give an odor symphony, or whatever word we shall make that shall mean, not a sound together, but a smell together—perhaps a synozeny. A white-gloved leader waves his baton and points it commandingly at the portly, whiskered man who controls the bass vial of patchouli. For three beats he uncorks it. The leader waves threateningly at the little man with the peppermint bottle and a brief whiff of it wafts out over the assembled smellers. Then both together, a duet of patchouli and peppermint, then all together, a chord of odors that moves the gathering to tears that are interrupted only by looks of indignation at the woman whose entrance interrupts the program with a discordant perfume.

But back to business! What manufacturer will put before us the mahogany box within which shall lurk the odors that will blend together for our perfect delight? We shall turn the handle and our noses will be assailed as our ears are now.

A Romance of Great Merchants

Book Review by Silas Bent

DR. JOHNSON defined a merchant as "one who traffics to remote countries." Such a man was Frederic Tudor, who built a bridge of ice from Wenham Lake in Massachusetts to the West Indies and Calcutta.

Boston thought the twenty-two-year-old Tudor insane when he undertook to ship ice from his father's pond to Martinique in 1805, and the complete failure of his first venture seemed to justify the opinion. But an entry in his journal of that time gives a glimpse of the character of the man: "He who gives back at the first repulse," he wrote, "and without striking the second blow despairs of success, has never been, is not and never will be a hero in love, war, or business."

So this early merchant mariner kept at his venture. By 1812 he had built up a small trade with the West Indies. The war with England destroyed it. After peace was declared he obtained permission to build ice houses at Havana and Kingston, and between 1817 and 1820 he extended the business to Charleston, Savannah and New Orleans. He issued ice tickets at a reduced rate. He became a pioneer in the science of salesmanship. Where he encountered competition he cut the price so low as to freeze out his rivals. In Rio de Janeiro he sold his first ice in 1833 at 12 pounds for a Spanish dollar. He experimented with all sorts of packing—rice and wheat chaff, hay, tan bark, and even coal dust; but finally he chose pine sawdust as the best insulator. He had to create a demand for his extraordinary commodity among all classes. He introduced it by serving cold drinks aboard his ship at the same price as warm drinks at ordinary places. He promoted ice-cream establishments, constructed ice houses, introduced his wares in hospitals and persuaded the Brazilian government, as a public health measure, to remit export duties on all products taken away in his vessels.

The "Tuscany's" Chilly Cargo

IN Calcutta the good ship *Tuscany* landed a chilly cargo, melted to two-thirds its original bulk. A Parsee asked Captain Littlefield, "How this ice make grow in your country? Him grow on tree? Him grow on shrub?" Some of the natives left their purchases out in the sun and subsequently demanded their money back. Captain Littlefield played host to the Anglo-Indian community with iced drinks mixed Yankee fashion, and the establishment of this new trade actually preserved Boston's East Indian commerce, then in a severe slump, from ruin.

By 1841, although in such severe competition that the retail price was lowered to one cent a pound, Frederic Tudor had so prospered that he was able to pay off a debt of \$250,000, due to his early experiments; had extended his trade to every large port in South America and the Far East, and had become a celebrated man. At the Court of St. James, the Persian ambassador's greeting when presented to Edward Everett was an appreciation of the benefit of American ice to his native people.

Thus every New England pond near tide-water became a merchant marine asset. Even Thoreau's little strip of water at Walden was not immune. He wrote:

The pure Walden water is mingled with the sacred water of the Ganges. With the favoring winds it is wafted past the site of the fabulous islands of Atlantis and the Hesperides, makes the periplus of Hanno, and floating by Ternate and Tidore and the mouth of the Persian Gulf, melts in the tropic gales of the Indian seas, and is landed in ports of which Alexander only heard the names.

All this is told in "The Maritime History of Massachusetts: 1783-1860," by Samuel Eliot Morison (Houghton Mifflin Company, Boston, \$5). The volume is replete with incidents as picturesque.

But this book is not a mere collection of anecdotes. The author has used such incidents as I have sketched merely to vivify the pattern of a historical volume remarkable for its painstaking research and the fresh material which has gone into it. Just now, when the question of a governmental ship subsidy for our merchant marine is at the forefront of public thought, there are certain valuable inferences to be drawn from an acquaintance with our early New England shipowners and their achievements as rivals of the British on the seas. Necessity made seamen of Massachusetts settlers. The need for foreign commodities set the people to trading with the West Indies. The country produced no staples of ready sale in England, like Virginia tobacco or Canadian beaver, but dried fish, pickled mackerel, bass and alewives could be traded in the West Indies.

Had Massachusetts depended on foreign bottoms for distribution, her fishing would have brought her little wealth. The big factor in her prosperity was that she owned her sea carriers. Shipbuilding became a leading industry in Newbury, Ipswich, Gloucester, Salem and Boston. Persistent enterprise prompted the merchant shipowners, as one English observer put it, to "trye all ports to force a trade."

Massachusetts was a chain of prosperous trading towns and fishing villages separated from the forest primeval by a belt of farms. Fish and lumber were exchanged for the products of the Dutch East Indies. At Honduras logwood and mahogany were obtained for the London market. New England provisions found their way into Brazil and other South American countries, as well as into the Far East.

As to the Slave Trade

MR. MORISON does not blink the fact that New England made fortunes in slaves, rum and piracy. Neither does he exaggerate it. He rejects legends, but he has verified from rare documents and journals the basis for those legends. The book is tinged with Rabelaisian humor, romance, piety, gore and codfish.

When Capt. John Turner returned from the West Indies with so many pieces of eight that a suspicion of piracy was aroused; when, with the help of a diving tub, gold and silver were recovered from a sunken Spanish galleon; when Boston shipowners such as Joseph Russel, John Higginson and Thomas H. Perkins witnessed the guillotining of Robespierre in the Place de la Concorde; when black and brown peoples were being taught that Salem meant America and Cochinchina was being opened to New England com-

merce; when hardy mariners were braving the dangers of the Fiji Islands and Malays were occasionally murdering a chief mate, or Penrhyn Island savages were slaying a captain; when ivory and camphor wood and spices and silks were being dumped upon the Boston wharves from the four quarters of the world—was it surprising that New England youths quit grubbing stumps and splitting staves to go down to the sea?

In those days there was no separation of shipowning, merchandising, and distribution. At the present time, when America has become overwhelmingly the credit nation of the world, so that the whole tendency of economic pressure is to thrust foreign commodities upon our markets and to resist the introduction of our products into alien lands, it is clear that there must be in some measure a parallel of that early experiment when our merchant marine was at the zenith of its glory: that is to say, some way must be found for the creation of markets abroad, probably in South America and the Far East and Africa, where America's exportable surplus may be exchanged to advantage for the surpluses of those countries.

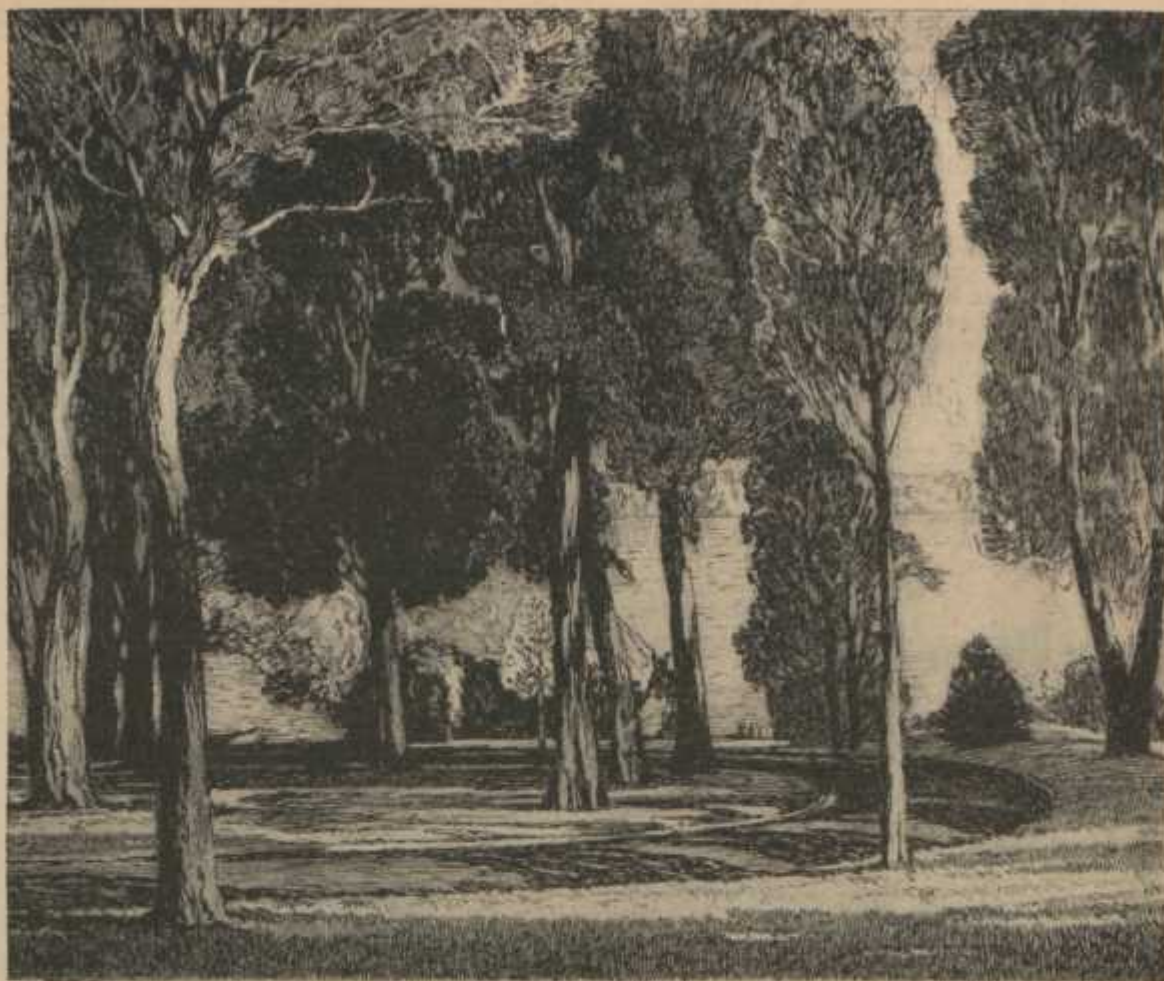
How Markets Were Made

IF Americans built railroads in Argentina, or factories in China, or public utility plants in Abyssinia, a market is automatically created for American machinery and accessories and other products of our labor. It will not be a process like Frederic Tudor's in creating a Calcutta market for his ice. It will lack a good deal of the picturesqueness of that enterprise, and it will be, furthermore, somewhat less difficult.

The economic aspects of a merchant marine are discussed by Mr. Morison competently and fully. He tells about the effect of our two embargo acts, both of which, under the guise of stimulating American sea power, actually hindered it. He tells how we profited in some measure by the opium trade in China and how, as late as 1872, certain steamships of Boston registry were running chests of the drug by the thousand into Formosa, obtaining by carrier pigeons the prices current in the interior. He tells how we profited by the provisions of the English Treaty of Nanking after the Opium War. He tells how closely interlocked American diplomatic history has been with commerce and maritime pursuits. He explains how shipping enabled Boston to rival New York even after Manhattan trade had grown to flourishing proportions in the '40's, owing to her superior geographic position.

But today there remains in Boston no trace of the old China trade, as Mr. Morison observes, "save a taste for li-chi nuts, Malacca joints and smoky Souchong."

More than one book has been written about the glamour of our early American merchant marine, of trade with strange races and of the swift clipper ships which raced to California. This book is written by a man fully sensible of the thrill and charm of those days, but adequately trained, moreover, to investigate the economic forces back of them. He has not merely painted a picture. He has constructed an era in wood and stone and iron and sailcloth, and he has decorated it out of the abundance of a mind richly stored.



*Wm. Wrigley Estate
at Lake Geneva, Wis.*

*An etching from a
painting in oil by
William P. Welsh*

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More Cotton Will Be Grown, Wheat Is Promising, and the Business Outlook Brightens

BY ARCHER WALL DOUGLAS

IN MY TRAVELS through the country districts last fall I was much struck with the prevailing feeling among the farmers that both prices and demand for agricultural commodities were bumping along bottom and that shortly after the first of the year matters would begin to mend. The only reason they could give for the faith that was in them was that, when things got to the worst, "something always happens."

It was not an answer that would pass muster in a school of political economy, but it

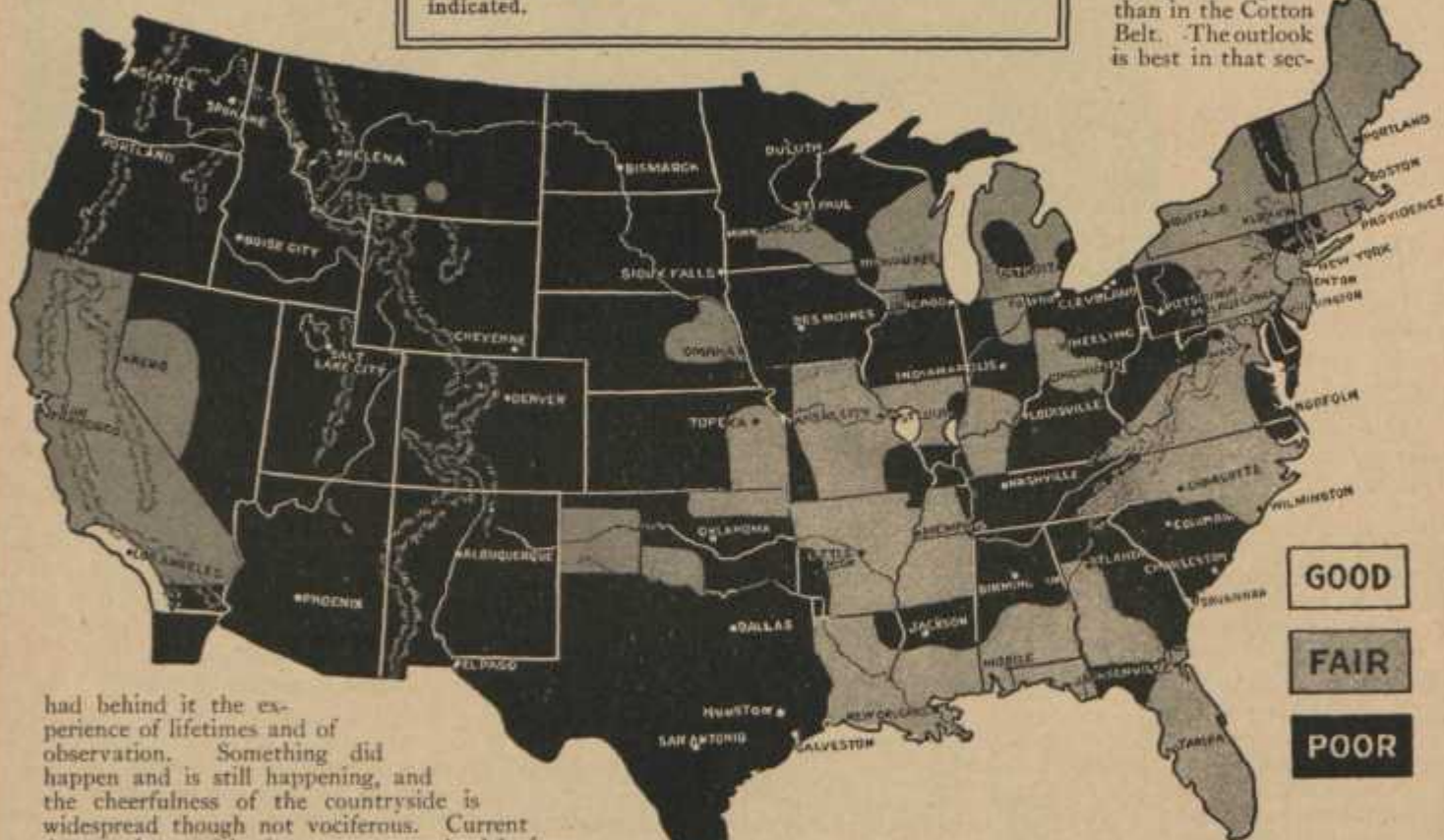
commensurate with an expense account that will not down.

At this writing the whole country is soaking wet, which is the best possible preparation for the coming harvest. Wet soils delay farm work in most sections, but in the western reaches of the Great Plains States the rains brought to life many fields of wheat which were thought to be dead. The growing wheat is doing well on the whole, although spotted in some sections. Cotton acreage promises to be larger than last season. Business is better in the grain regions than in the Cotton Belt. The outlook is best in that sec-

Business Conditions, April 15, 1922

THE DOUGLAS MAP shows at a glance the general conditions of the country. Light areas indicate good crops, industrial activity, and "high pressure" buying markets. In the black areas these conditions are lacking. The shaded areas are half way.

In studying the map it should always be borne in mind that only actual conditions are shown; prospects are not indicated.



had behind it the experience of lifetimes and of observation. Something did happen and is still happening, and the cheerfulness of the countryside is widespread though not vociferous. Current figures of general business, constructed solely from statistics, which tell of increase in the volume of business as compared with periods just passed, are interesting mental exercises, but they give small conception of the real situation.

There is no such thing as general business, for buying, selling and collections are matters purely of locality and of weather. Where the roads are impassable from rain, where the farmers have little or nothing to sell until another crop is harvested, there is little or no business and collections mostly are not. Where farmers still have products to market, where fruits and early vegetables are being shipped, where industry is employed, where lumber is being cut, where mines are being operated, where construction and building are in process, there is a moderate volume of business gathering slow headway and creating additional confidence as it adds to its size and momentum.

There is little concern about the immediate future and a general tendency not to do much guessing nor to make many commitments until after the coming harvest. The numerous prophecies of nearby prosperity inspired by the study of various barometries are generally regarded as being written principally for public consumption and are not taken very seriously. The immediate concern is to get a volume of business

tion where farmers still have livestock and corn to spare and for sale.

Something also happened in Europe when nothing came of our various plans to lend her money or else to give it to her. For she set about taking care of herself by selling us her securities, and by selling us more goods and buying less from us than she had been doing—and that is why exchange is going up and she is threatening to pay back our loans or else the interest on them.

In a recent trip through Mississippi I noticed that every town had an ice cream factory when a quarter of a century ago the principal dairy product was condensed milk brought from northern latitudes. Also I learned that in 1921 the dairy products of the state totaled \$15,000,000 in value as against \$750,000 four years ago. And thereby hangs a drama in which the United States Department of Agriculture played the lead.

In these days when income taxes remind us of government expenditures that seem to be often a handicap on initiative and enterprise, it is interesting to find a government expenditure that is an investment returning a hundredfold or more. Since 1906 the Federal Government, the Southern States and the counties of these states spent about \$10,000,000



THE STRANGER AT THE GATE

In the feudal days of old, when cities were armed camps, when the stranger was an enemy until he proved himself a friend, the merchant who came from one city to another was challenged at the gate.

Today, by thousands, to every city in the land, come the salesmen of manufacturers in distant places. There are no walls of stone to bar their entrance; no city gates where sentries challenge. But there are other gates within the city; there are other walls than walls of stone.

What salesman does not know the little gate that leads the way—or bars it—to the inner office of the buyer? What salesman does not know that important moment when his card goes in—and he waits the word? And if his product is unknown—how often he is halted at the gate!

Then the gates of the homes—the millions of homes—in cities and towns and villages, and on the farms, where dwell the people. Of these there are so many that the manufacturer cannot send his salesmen to them; yet the success or failure of his product hangs upon its reception at these gates. And here again, the unknown product is challenged, while the gates swing wide for the known.

In the old days there were certain illustrious persons upon whom was conferred a key to the city, symbolizing the good-will of the inhabitants and betokening that all places were open to them. Today, in the world of industry, there are those who hold a similar key. They are the ones who know the power of advertising.

N. W. AYER & SON

ADVERTISING HEADQUARTERS

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in ridding the South of the cattle tick.

The work is nearly done, and the results are much in evidence. Since 1907 dairy cows in the South have increased 50 per cent in number as against 14 per cent in the rest of the country. Scattered throughout the South there are creameries, silos, cheese factories and high-bred herds, when formerly the solitary "Sis Cow" was as lonely as a sparrow on a housetop.

The cotton boll weevil has now nearly approached the limits of cotton cultivation in this country. Coming across from Mexico into southeastern Texas thirty years ago, it steadily pursued its relentless march, which all efforts have failed to stay. It forced diversion of crops wherever it prevailed and, more than any one factor, has permanently altered the entire economic and social life of the South. It is a curious commentary on human nature that, although its ultimate infestation of every cotton-growing section was known, although not realized, to be as inevitable as fate, practically nowhere was there any concerted effort to anticipate its coming by those changes in agricultural procedure which its presence was sure to bring about through bitter necessity. There is no remedy or sure prevention, although cultural methods are apparently the most effective up to date. Yet great crops have been raised in spite of its ravages and will continue to be under favorable weather conditions of heat and abundant sunshine.

One of the sidelights in food production is found in the increased output of syrup and molasses in this country, so far as estimates to that effect can be depended upon. Sorghum and cane syrups are about of equal volume, with maple syrup in comparatively small proportion. During the past two winters these "long sweetenings," as they are known in the South, have been of the utmost value, for along with corn bread they formed the staple diet of many workers, both black and white, to whom the low price of cotton made rigid economy a matter of dire necessity.

The continued progress in the growth of textile manufacturing in the South is one of the economic phenomena of the times. It is the story of great natural advantages, of proximity to raw material, and the possession of hydro-electric power, all furnishing an incentive to the development of a dependable and increasingly efficient source of labor from apparently most unpromising material.

The railroads find themselves facing a growing demand for lower rates because rates are in many instances a heavy handicap on business, while, on the other hand, the costs of operation do not seem to warrant any such reductions. Alexander the Great started the fashion of cutting Gordian knots that could not otherwise be undone. That seems to be the only remedy now in sight, and a somewhat impatient public grows more impatient with those who are unwilling to bear their share in

the general reductions in wages and salaries.

It is an interesting development in political economy that the tariff is now generally recognized to be what all impartial students have known and proclaimed it to be: one of self-interest rather than of nation-wide concern. It is preeminently a thing of opportunism and not representing any profound economic principle. The best illustrations of these statements may be found in the opposition to the American Valuation Plan by many who were formerly staunch advocates of the protective principle, but who now feel that it is essential to our business welfare that we take enough manufactured commodities from Europe to enable them to discharge their war indebtedness to us and to buy from us the goods we are desirous of exchanging. Then, too, each industry is prone to consider the tariff largely from the viewpoint of its own interest. In textiles, for instance, the growers of raw material ask protection for their raw material but are not so keen about the same policy being applied to the finished product as are the manufacturers, who very naturally feel that they should have protection against the imported article.

The effects of the present emergency tariff are seen in the recovery of the price of wool, and this in connection with the advance in the prices of lambs and sheep has bred a much more cheerful feeling among the sheep raisers of the West.

Nation's Business Observatory

ELSEWHERE in this issue of *The Nation's Business* we give some space to President Harding's ship subsidy proposal from two points of view. On the part of the trade press, the plan is met with a reception which depends largely on the industry represented. We may take as typical of what the marine interests think, this from *Shipping*:

It may at once be said that the various proposals in their general scope and aim meet with the hearty approval of our shipping communities, the Presidential Message through which the proposals were conveyed being endorsed as a step in the right direction and one from which other steps may more easily be taken as our trade and commerce expansion dictates and requires. The subsidy plan as might be expected embodies in large measure the recommendations of the Shipping Board, and as these were for the most part based on expert opinion associated with the latter and of equally valuable outside expert opinion, individual and corporate, such opposition as may develop to hinder or block enactment of the bill as it now stands or to its detail features whether in the directions of application or probable effect, will loom up from less sympathetic because less well posted sources.

Shipping is more hopeful than most of its contemporaries, for it says:

That enactment with a minimum of modification will be the ultimate outcome we are in no doubt; the important matter, however, is that the enactment be not unnecessarily delayed.

The *Electrical World* sees one sentimental argument which is certain to be raised against the plan and disposes of it in this way:

Subsidies are not popular in this country. The word smacks of politics in business, and government operation has proved bad. But we face a matter of costs. The United States Shipping Board, after long study, recommends

a subsidy—to balance the penalty of our quixotic seamen's law until it shall be changed, and to encourage American traders to enter the foreign fields, until our ships can ply from friend to friend, and the great profitable future of our foreign trade can gradually unfold. And the subsidy will cost perhaps 40 per cent of what we will lose by scrapping all these ships or giving them away.

Our transcontinental railways were made possible by subsidies of land. Our export trade—in which the electrical industry will open up some day a mine of wealth—may wait upon a similar impulse. Surely it is better that the products of our ingenuity—already famed around the globe—should be sold abroad, aided for a time by subsidy, than that the present opportunity should be wasted at even greater cost in ships.

The Bonus and the Subsidy

CAN an administration which regards the bonus as unwarranted extravagance justify the subsidizing of the merchant marine? That question in one form or other is certain to be raised and in the opinion of *The American Contractor* will be a difficult one to answer. *The Contractor*, however, sees some good coming out of the proposal, whether the legislation is passed or not:

Every indication points to a stormy voyage in Congress for the subsidy proposition. The proposal is viewed by many in the light of a twin-brother to the blanket cash payment bonus suggestion.

One of the results likely to grow out of this proposal to Congress is a sweeping investigation into Shipping Board affairs under the present management for the purpose of ascertaining why the board is not making expenses, and why huge deficits are being rolled up through the gradual withdrawal of merchant ships from the high seas and anchoring them in idleness in rivers and harbors with mounting maintenance costs.

Efforts to obtain a financial statement on

Shipping Board affairs were futile. It is believed that only a Congressional investigation will bring the matter to light, and also uncover the seeming lack of business methods in handling the affairs of the Shipping Board.

The Shipping Board comes under criticism also from the packing industry. *The National Provisioner*, the "official organ" of the Institute of American Meat Packers, has something to say about ocean rates and the Emergency Fleet Corporation's part in keeping them up:

It is the general belief in shipping circles, and especially among cargo interests, that the present high transatlantic rates are kept up solely as the result of an agreement such as would speedily bring the ordinary American business man into court. Not only do these conference lines openly flaunt their combination, but the prime movers therein seem to be our own United States representatives, paid from our taxes and presumably working in our interest. . . .

Like Frankenstein, American business interests find that they have constructed a monster which seems determined to destroy those responsible for its creation. The Shipping Board could be of tremendous help to American shippers, and it should be utilized in this way. If, however, its officials are to continue to work against American interests, as in this case, the quicker it is abolished and these representatives retired to private life, the better it may be for all concerned.

In a thoughtful letter from its New York correspondent the *Manchester Guardian* sums up the objections which are likely to arise. It finds this one most difficult to meet:

The chief weakness, however, of the President's plan is undoubtedly the fact that the subsidy is linked with the existence of an import trade. For the past year the present Republican Congress has been much exercised over plans to limit imports, and it is difficult to see how the same Congress will be able to

vote a subsidy which is dependent on a flourishing foreign trade and also pass an exorbitant tariff law designed to restrict foreign trade.

How Bad Was 1921 and Where Was Depression the Worst?

HOW bad was 1921? The *Financial Chronicle* has been making a study of bank clearings for that depressing year and reaches this conclusion:

The year was one of extreme business prostration—in many respects the worst experienced in American trade history. The shrinkage in the volume of business done was, it is safe to say, of unparalleled extent. In many different branches of industry the collapse was utter and complete. Production fell to a low ebb, and yet it proved more than adequate for current needs, consumptive demand on any extensive scale being entirely lacking. And this state of things continued throughout the entire twelve months, with never the faintest symptom of trade revival or even recovery. The year was also one of steadily declining commodity values, though with a few upward reactions here and there during the later months. With the volume of business so materially reduced and conducted at steadily declining prices, the effect in cutting down the amounts of bank exchanges, or clearings, was certain to be striking and pronounced.

It is customary to divide bank clearings into those in New York City and those outside, and to give more importance to the latter as a business index. But, says the *Chronicle*:

Curiously enough, it is found that the ratios of decline at New York and outside of New York do not differ very greatly. At New York the decrease is exactly 20 per cent. Outside of New York it is 22.5 per cent, while for the two combined it is 21.5 per cent.

There has been a good deal of discussion of the value of bank clearings as an indication of business conditions, but the figures compiled by the *Chronicle* agree with what we learn from other sources as to the points of greatest depression:

For the New England group of cities the falling off is 23 per cent, and for the Middle States group, including New York, it is no more than 19.8 per cent. For the Middle West, including such places as Chicago, Cincinnati, Cleveland, Detroit, Milwaukee, Toledo, and Indianapolis, the decrease is 22.5 per cent. For the "other," or Far Western, group, including Kansas City, Indianapolis, St. Paul, Omaha, and a host of other cities within distinctive agricultural communities, the ratio of falling off is much the heaviest anywhere, being 30.2 per cent, and at individual cities within the group the ratios of decline run very much higher. For the Southern and Southwestern group also, the decrease is heavy, as would be expected, reaching 27.0 per cent; St. Louis, within this group, shows 24.9 per cent falling off; New Orleans, 33.4 per cent; Richmond, 31.4 per cent; Atlanta, 35.3 per cent; Savannah, 51.2 per cent; Augusta, 50.7 per cent, and the general average for the group would be heavier except for the excellent showing made by the city of Oklahoma, which shows no decrease at all in clearings, but actually an increase of 17.1 per cent.

The best comparison of all, however, comes from the Pacific Coast, where the decrease is no more than 13.8 per cent. The Pacific Northwest, including Seattle and Portland, suffered as severely as other parts of the country, but on the other hand Southern California is experiencing no little prosperity, and Los Angeles, Pasadena, Long Beach, Berkeley, Santa Barbara and Modesto all report larger totals of clearings than in 1920. Out of the 197 cities from which we have clearings returns throughout the whole country, only 12 cities

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world

register gains over 1920, and six of these are found in the Pacific group.

One Industry that Begs For a More Modest Position

WE HAVE read many pleas from industries for rank in first, second or third place. We have excited editorials in trade papers contending that the industries they represent should be rated first, second or third—never lower than that—but here comes a trade paper protesting wildly that its industry is not even in the first hundred.

In the *Moving Picture World* its editor, Arthur James, writes:

One of the most dangerous things a \$25,000 man can do is to have himself described as a millionaire. . . . It is much the same with a business or an industry. When it gets a reputation for being fat with money all the politicians, big and little, begin to include it in the list of ripe and succulent plums, to be plucked and devoured.

Some time in the early days of the moving picture business somebody, we don't know who, rose in his place and cried out that the screen was the *Fifth Industry* in the United States. Later on it was revised to read *Fourth*.

Recently no less a man than Henry W. Taft, who in addition to other distinctions is a brother of a former President of the United States, presided at a luncheon where censorship was discussed. Mr. Taft pleasantly went all others several better by describing us as the *First* industry in the United States. A very large majority of those present would and doubtless did accept the statement as correct.

The time seems to have arrived when we should nail this fiction and save ourselves from the hardships which follow in its wake. *Many persons in our own business do not know that the moving picture industry not only is not the first, fourth or fifth in the industries of the United States, but probably not among the first one hundred.*

Here is a list provided by a man who has gone carefully into the subject. It may serve to enlighten those of us who have carelessly adopted the habit of calling ourselves the *Fifth Industry*. The following merely gives a small number of businesses that equal or exceed the moving pictures in value of finished production at the plant: Babbit Metal and Solder, Rubber Boots and Shoes, Canning and Preserved Fish, Cash Registers and Calculating Machines, Coal Tar Products, Cooperage, Corsets, Men's Furnishing Goods, Glucose and Starch, Hardware, manufactured Ice, Lithographing, Mattresses and Spring Beds, Pianos, Phonographs, Photographic Materials, Pickles, Pottery, Rice, Cleaning and Polishing, Roofing Materials, Soap, Sugar-beet and Varnishes.

Take cheese, for instance. In the year 1919, a good film year, its production was twice the value of moving pictures. Then there are automobiles, boots and shoes, butter, railroad cars, men's clothing and cotton goods—all of them tremendously greater in total value of production than the best total that pictures can show.

Let the word start round—we are not the *fifth* nor the *tenth* nor the *twentieth*, and we don't want to be taxed as such.

Plea for Deflation in Office Titles and Names of Securities

TITLES of corporation officials need "revision downward" in the opinion of Richard Spillane, who, in the *Public Ledger* of Philadelphia, says:

There is a New York corporation with ten vice-presidents and another with twelve. Any time the big bosses want to promote a man without increasing his pay they seem to pin a vice-presidency on him. There are today

assistants to the president and assistants to the vice-president and assistants to the secretary and assistants to the treasurer. Why not second, third and fourth and so on assistants to the first, second, third and fourth vice-president, secretary and treasurer until everybody down to the office boy and the janitor has a high-sounding title?

There are other things than official titles that might want clarifying in the same writer's view. One is the naming of securities. On this point Mr. Spillane adds:

Theodore H. Price wrote an article recently on "Fashions in Investments," and incidentally referred to a humorous story printed by McCready Sykes long ago of a twenty-mile trolley line against which the promoters issued

\$50,000 of "Very First Mortgage Bonds,"
\$50,000 of "Underlying Bonds,"
\$50,000 of "Prior Lien Bonds,"
\$75,000 of "First Mortgage Bonds,"
\$100,000 of "General Mortgage Bonds,"
\$500,000 of "Bonds,"
\$100,000 of "General Debentures,"
\$100,000 of "Collateral Gold Notes,"
\$1,000,000 of "Preferred Stock" and
\$1,000,000 of "Common Stock,"

being a total of \$2,825,000, to which there were added "Equipment Bonds" and "Rolling Stock Collateral Gold Notes" and "Purchase Money Notes" and "Gold Scrip" and "Funded Bonds" and "Convertible 6s" and "Interchangeable Gold Debentures" and "New Collateral Trust Bonds," and finally a large issue of "Unsecured Bonds," to pay the interest on which there were sold \$200,000 of "Double Reversible Convertible 4s" and \$100,000 of "Automatic Gold 5s." It is explained that the "Double Reversible Convertible 4s" were among the most popular of the issues because it was only necessary to cut a coupon off and turn it upside down, when it became an order at its face value for "Deferred Stock" at par.

Canadian Industry Half

Owned in This Country

THE extent of American investment in Canadian industry is making our neighbor dominion a little restive. The Canadian Department of Trade and Commerce has just published a booklet, "Canada a Field for British Branch Industries," aimed to attract British capital. Its findings as to American holdings are thus summarized by the Canadian Pacific monthly, *Agricultural and Industrial Progress in Canada*:

What then is the industrial situation in Canada today, as regards the capital by which it is being developed? To determine this point the Commercial Intelligence Service of the Department of Trade and Commerce examined the returns of the Industrial Census for the last fiscal year for which they were available, namely, 1918; that is to say, the statements of all companies in Canada, from those which own and exploit our natural resources, such as timber or minerals, to the smallest manufacturer of clothes-pegs or collar-buttons.

The result was found to be that 56 per cent was in the hands of Canadian investors, 35 per cent in the hands of United States investors, less than 9 per cent in Great Britain and about 1 per cent elsewhere. Similar analyses by specific groups of industries showed even more remarkable results.

The United States controlled from a comparatively small percentage of the flour industry, to more than 99 per cent of the artificial abrasive industry, an industry by no means small and of growing importance. Some of the actual figures were as follows: Pulp and paper, about 26 per cent; agricultural implements, an industry which we prided ourselves as being peculiarly Canadian, 31 per cent; electrical appliances, 49 per cent; meat pack-

The Vital Difference In Belt Lacing

Every ALLIGATOR Tooth Is a Vise

"Never Lets Go"

Alligator teeth penetrate lengthwise clear through and beyond the belt. The ends clinch down flat making each tooth a tiny vise.

Compare This Grip With Others

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Sold at Wholesale and Retail the World Over

Your shops will find in Alligator Lacing a saving far in excess of the consideration of lacing cost. The extra strength means more continuous use of Belt Driven Power. A size for every belt. Small sample of belt, literature and prices on request.

FLEXIBLE STEEL LACING COMPANY

4626 Lexington St., Chicago, Ill.

In England at 135 Finsbury Pav., London, E. C., 2

The Alligator Pressure Grip. Pull a strip of paper. Note strength.

The Tearing Pull of other lacing. Set a row of pins across the paper. Pull between fingers.

Try this Simple Test

ALLIGATOR

TRADE MARK REG. U.S. PAT. OFFICE

STEEL BELT LACING

The Middle West is Buying



Reach this Market through Omaha

Farmers are again able and willing to buy. Reports show that products on farms in this territory increased \$500,000,000 in value since November 1, 1921.

Omaha dominates a great, rich farming region—a territory having:

Population: 3,500,000—66.5% rural.
Bank Deposits: \$1,640 per family (av.)
Farm Values: \$24,615 per farm (av.)
(Nation's average \$12,065 per farm)

We can show you how to reach this rich territory through Omaha.

Ask for Sales Analysis No. 75

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ONE MILLION TONS OF LARGE AND LUXURIOUS STEAMERS

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Complete Banking Service
More than \$55,000,000 Invested Capital

ing, 41 per cent; rubber, 51 per cent; paints and varnishes, 47 per cent; proprietary medicines, 86 per cent; car construction, 59 per cent; drugs and light chemicals, 27 per cent; condensed milk, 40 per cent; petroleum, 53 per cent; automobiles and automobile accessories, about 70 per cent.

The United Kingdom figures are comparatively insignificant. With the exception of the building and drug industries, in which Great Britain owns 45 per cent and 37 per cent, respectively, the British interest ranges from .04 to about 10 per cent, and is, as has been said, in total less than 9 per cent.

In view of the development of the past two years, these 1918 figures are exceedingly conservative; for 1919 and 1920, in Toronto alone, there were established forty-six new United States industries, four British and eighteen Canadian.

It will probably be found, when the 1921 figures are available, that the percentage of our industrial capital controlled by the United States is not less than 30 per cent; that by Canada herself about 40 per cent; and the balance divided between Great Britain and foreign countries.

Inflated Currency and The Average German

HERE is a little table of the value of money in Germany before the war and last year, translated by *Export Trade from Tagliche Korrespondenz*:

Marks:	Formerly: 1914.	Marks:	Now: 1921.
	1 A good plain dinner.		1 Two rolls.
	2 Bottle good Rhine wine.		2 Bottle of soda water.
	3 Best seat in "Philharmonic."		3 A programme.
	5 Dinner at Adlon, consisting of hors d'oeuvres, two courses, dessert.		5 A sausage roll at a carmen's "pull up."
	10 Elegant dress skirt.		10 A collar.
	20 Express fare between Berlin and Munich.		20 Hardly a cab-fare between two Berlin stations.
25-30	Board and breakfast for a student for a month.	25-30	Tip for a landlady for preparing the breakfast.
50	Winter overcoat.	50	Velvet collar for it.
85	Suit made to measure.	85	Cleaning and pressing of a suit.
100	Month's board and lodging in a small seaside town.	100	Bed (for one night) in a Berlin inn.
500	Month's allowance for a University student.	500	Pair of shoes for a young girl.
1,000	Monthly income of army major.	1,000	Daily income of a wine steward.
5,000	Yearly income of a comfortable middle-class man.	5,000	Price of an ordinary carpet.
10,000	Cost of nice little country villa with orchard.	10,000	Cost of small repair of roof.
100,000	Ambition of a thrifty citizen to possess this amount.	100,000	Yearly income of "Beginner" of a profiteer's "clique."
1,000,000	Possession of this sum only considered possible in fairy tale.	1,000,000	Pocket money of daughter of high-class profiteer in Berlin W. W.
1,000,000,000	Amount collected with difficulty by "voluntary" contribution—given under protest—to build fortresses.	1,000,000,000	A very small fraction of the usual deficit of any of the government departments.

The Recent Federal Trade Decisions

THE most discussed rulings of the Federal Trade Commission since the April issue of *THE NATION'S BUSINESS* were two charging price discrimination, one aimed at a manufacturer of talcum powder, tooth paste and other toilet articles and the other at a dealer in fishing tackle. These are discussed in the editorial pages of this number.

A long list of concerns making razors, razor-hones and knives, accused of "false and misleading advertising," have been warned to mend their ways. The description of the wrongdoing is the Commission's. A more accurate phrase might be "marking-up." In general the practice complained of consisted in marking on the boxes containing the knives, razors, etc., prices in excess of what the retailer was expected to charge. The purpose, according to the complaint, was to deceive the buyer into believing that the articles he bought were being sold at a bargain and were really of better quality than indicated by the price he paid.

Here is a description of what was done in one case:

The respondents, despite the intimation that they manufacture razors, actually purchased razors from manufacturers at 45 cents each, packed them in individual containers bearing the label, "Manufacturers Company. Price \$1.50. Fully warranted." Such razors, it was shown, were sold to the public at \$1.95. By this method purchasers were misled into the belief that they were buying a high grade razor at a greatly reduced price, when, as a matter of fact, purchasers paid an excessive price for the razors.

The Commission's powers over trade are in general limited to interstate commerce and commerce in the territories or the District of Columbia. Many practices of which the Commission seems to disapprove it cannot prevent because of the interstate commerce limitation.

Four cases in which rulings were recently made apply to concerns doing business in the District, but serve perhaps to show where the Commission would forbid if it could. Two are against furniture dealers. The allegation in each case is that the concern although advertising that it made no extra charge for credit did in fact distinguish between cash and credit customers, charging the latter higher prices.

Another District case, where the commission was not limited in its rules by any question whether the goods were or were not in interstate commerce, is against a sausage maker accused of imitating the label of a rival so the two labels were not readily distinguishable. The names were similar and the Commission recognizes the claim to the name and label of the company first using it. A similar right is recognized in the case of a milliner using a familiar feminine first name that had already been preempted.

Another involving simulation of name led to an order to cease and desist against a safe company in New York which borrowed part of a rival's name and opened offices directly across the street and displayed its advertising matter in such a way as to create an impression that the two companies were the same. So, too, a company calling itself the "Rochester Tailoring Company" but not located in Rochester, New York, has been ordered to change its method of labeling clothing since it has led purchasers "to believe that respondents' clothing is of the quality produced in Rochester and under Rochester manu-



Ordinary Films Are Dangerous

The operation of any portable projector using ordinary inflammable films without a fireproof enclosing booth is prohibited by State, Municipal and Insurance restrictions, and the violator is liable to severe penalties. Pathéscope SAFETY STANDARD machines and films do not require enclosing booth.

THE NEW PREMIER
Pathéscope
Flickerless SAFETY STANDARD Motion Picture Projector

Selling with Motion Pictures

Showing beats telling.

Nothing you can say about the quality of your goods or what they will do, is half so compelling—so convincing—as a visual demonstration of how they are made and used.

Motion pictures of your product present claims that cannot be argued down. They are both claim and proof combined. They leave no room for doubt. They compel belief.

Sales, Advertising and Sales Promotion Managers of many of the most progressive concerns in the country are using motion pictures and New Premier Pathéscopes in strong educational work and intensive development of specific sales territories.

The Pathéscope Company recently made for E. A. Stevenson & Co., Boonton, N. J., a motion picture film showing the complete history of the manufacture of "Spredit" (nut butter) for use among Domestic Science instructors and to give retail dealers first-hand information about the product.

A film made last year by the Pathéscope Company for Kirkman & Son, Brooklyn, N. Y., has already been shown to millions. This company has now in daily operation a large number of New Premier Pathéscopes, and its motion picture activities constitute a very considerable portion of its sales promotion work.

The National Cash Register Company has twenty-eight Pathéscope projectors; the Economist Film Service, for its Department Store clients, has forty-five.

New Premier Pathéscopes have been used with eminent success also by the
American Mutual Liability Insurance Co.
Baldwin Locomotive Works
Boston Women's Hose & Rubber Company
General Electric Company
International Correspondence Schools
International Mercantile Marine
Moder Safe Company
National Biscuit Company
United Drug Company
and many others.

Many of these users selected the Pathéscope only after a careful investigation of, and sometimes unfortunate experiences with, other portable projectors. One sales Promotion Manager, who tried out various machines by projecting their pictures side by side with those of the Pathéscope, chose the latter as "all around most efficient," adding that "the biggest feature is the 'Safety Standard' film used in the Pathéscope. In many places, it is only because of this feature that we are permitted to show our film."

Only "Safety Standard" film is used in the Pathéscope. *It is safe.* The Underwriters' Laboratories, Inc., have set their Approval Seal on every "Safety Standard" film and Pathéscope projector. No fireproof booth or licensed operator is required.

Ordinary film is dangerous and should be used only in a fireproof booth and by a licensed operator.

The New Premier Pathéscope can be used by any of your men, any time, anywhere. It is so exquisitely built that its brilliant, flickerless pictures amaze expert critics. It operates on any electric light current, or from a storage battery. It weighs only 23 pounds and can be carried in a small suitcase.



Our Industrial Department is organized to render an efficient service to advertisers in the preparation of films. We made the most successful industrial films produced during 1921. We invite an opportunity to demonstrate the Pathéscope Film Service and to explain its place and function in your sales promotion program.

The Pathéscope Company of America, Inc.

Willard B. Cook, President Agencies in Principal Cities
Suite 1851, Aeolian Hall, New York City



The "Sperry" Service is a business builder

And that's not all

Spending as much to acquire a volume of business as that volume represents is like borrowing from Peter to pay Paul.

The *Sperry* Service, through the medium of the *SM* Green Stamp, offers a thoroughly tried and true plan for a merchant to increase his volume of business and at the same time reduce his overhead expenses.

Issued as a discount, on purchases as small as 10c, this Thrift token induces thrifty folk to concentrate their trade where it is given. This added, steady patronage enables a merchant to increase his business, and increased business means quick turn-overs, which in turn eliminates many expenses.

Therefore, the *Sperry* Service of co-operative discount materially increases a merchant's volume of business and automatically reduces operating costs.

THE SPERRY & HUTCHINSON CO.

114 Fifth Avenue

New York

facturing conditions as extensively advertised by the Rochester Chamber of Commerce and other business associations of Rochester."

Two formal complaints have been filed involving interesting points. In one case a steamship company is charged with cutting price of service below cost to force a competitor out of business and restore previous existing monopoly of water transportation by two eastern cities.

In the other a manufacturer of baking powders which sell in competition with manufacturers of "self-rising flour" has adopted a practice of anonymous publication of disparaging and derogatory statements concerning self-rising flour. It is alleged that this practice was put into operation on an extensive scale.

Another activity of the Federal Trade Commission was an effort to reach an agreement with manufacturers of silver plated hollow ware through a trade practice submitted on the use of the word "Sheffield." The manufacturers at a conference conducted by Commissioner Gaskill adopted this resolution and pledge:

Resolved, that the word "Sheffield" as a mark for silver-plated hollow-ware means quality, and that, furthermore, quality is defined as meaning an article well plated on a base metal of nickel silver of not less than 50 per cent nickel content; and that the same may have Britannia metal trimmings or mountings.

The undersigned individually will follow this definition in the marking of silverware and

will not either for themselves or at the request of others mark ware which does not conform to this definition with the name "Sheffield."

The commissioner did not feel that the adoption of the resolution disposed of the issue, and adds this to a statement on the subject:

It seems that the uninstructed purchasing public associates the name "Sheffield" with origin in Sheffield, England, and attributes to silver-plated hollow-ware sold under that name a representation of quality not accurately measured but corresponding generally to the quality represented in the silver plated line by original Sheffield plate. But the word as used by the manufacturers has no meaning at all since it is indiscriminately applied in the trade to all classes and grades of silver-ware, from the cheapest and poorest to the best and most expensive. This absence of meaning in the trade in conjunction with what seems to be an accepted meaning on the part of the purchasing public, known in the trade and relied upon therein, seems to the Commission to constitute the use of the word "Sheffield" in connection with the sale of silver-plated hollow-ware an unfair method of competition because it tends to deceive and mislead the purchasing public.

Without attempting to express a conclusive judgment upon the merits of any particular case, the Federal Trade Commission in general disapproves the use of the word "Sheffield" as a trade name or mark for silver-plated hollow-ware and will proceed in individual cases as they come before it upon this basis, with due regard to the merits of any particular case.

Log of Organized Business

THE Chamber of Commerce of the United States has called upon its member organizations to cooperate with the local posts of the American Legion in a national campaign to aid veterans out of work or in distress.

In a letter urging member organizations to join in this movement, Elliot H. Goodwin, Vice-president of the National Chamber, writes:

The American Legion, through the Director of its Americanism Commission, has called upon the Chamber of Commerce of the United States to transmit to chambers of commerce and trade organizations a request for cooperation with local posts of the American Legion in a National Employment Day and a campaign of relief to follow thereafter.

This suggestion we are happy to adopt immediately, thus continuing a policy which was first inaugurated in 1919 when a National Employment Committee of the Chamber, cooperating with some three hundred local committees, developed a program for getting returned soldiers back to civil positions.

The American Legion in its statement to us reports a large number of veterans out of work or in distress. To alleviate this condition the Legion proposes to set up a local Legion Employment Committee, which will ascertain in each community:

1. Veterans who are unemployed or veterans' families who are in distress.
2. What emergency relief measures may be needed and applied.
3. What opportunities of every legitimate kind there are for employment.

The work is to culminate, according to the announced plans of the Legion, in a citizen's mass meeting to be held in each town at which problems incident to the local condition will be discussed, and a definite campaign of assistance formulated.

The welfare of our veterans is of high concern to the nation. It is believed that our organization members will respond to the requests of the American Legion concerning the

employment situation and render every assistance within their power, and this announcement is sent with the belief that such specific constructive help as is requested will be given the moment the need for assistance is known.

Committee on Trade Associations

A COMMITTEE to study and report on the subject of trade associations has been appointed by the National Chamber of Commerce. The committee will direct its inquiry with a view to determining in what manner trade associations can render the greatest service to business and the public.

Members of the committee are:

Philip H. Gadsden, Chairman, Philadelphia; president, American Electric Railway Association and formerly member of Federal Electric Railways Commission; vice-president, United Gas Improvement Company.

Thomas S. Adams, New Haven, Conn.; secretary, National Tax Association; professor of political economy, Yale University.

Fred R. Babcock, Pittsburgh; formerly president, National Wholesale Lumber Dealers' Association and of the Pittsburgh Chamber of Commerce; president, Babcock Lumber Co.

Charles J. Brand, Pittsburgh; formerly chairman, Cotton Distribution Board, and chief of Bureau of Markets, Department of Agriculture; vice-president and general manager, United Fruit Growers, Inc.

Henry S. Dennison, Framingham, Mass.; formerly director of planning and statistics, War Industries Board, and president of the Taylor Society; president, Dennison Manufacturing Company.

James R. MacColl, Pawtucket, R. I.; formerly president, National Cotton Manufacturers' Association and chairman executive committee, World Cotton Conference; treasurer, Lorraine Manufacturing Company.

J. D. A. Morrow, Washington; vice-president, National Coal Association.

Alfred Reeves, New York; secretary, National Automobile Chamber of Commerce.

(Continued on page 45)

George Rublee, New York; formerly member of Federal Trade Commission and delegate to Allied Maritime Transport Council.

The Eighteen "Cans"

A LIST of eighteen legitimate activities which may be carried on by trade associations in the interest of their members was presented to a meeting of the Pennsylvania Trade Secretaries in Philadelphia by W. Leonard Thompson, assistant manager of the Fabricated Production Department of the National Chamber of Commerce.

Activities suggested by Mr. Thompson are:

The trade association can make of a competitor a friend and can create mutual confidence and faith among its members.

It can determine and recommend better business ethics and practices.

It can gather statistical information, for proper use by its members, on all questions of interest to members, with their cooperation.

It can develop and install a uniform system of cost accounting—uniform as to fundamentals—on which each member can compute his own costs.

It can keep its members advised as to the latest and best methods employed in their industry that work for greater economy and efficiency.

It can furnish members with credit reports and other confidential information about their customers, and thus insure greater business security.

It can watch over the legal rights of members.

It can conduct and direct cooperative advertising campaigns and create a demand for their product.

It can supervise the arbitration and adjustment of business disputes better than a member can do it alone.

It can publish bulletins which give the latest news of all the industry and on all topics which in any way affect it.

It can handle freight and express problems, both as to rates and classifications, better than any individual firm can do it alone.

It can conduct research investigations of present markets, both domestic and foreign, and tell of fertile territory for new ones.

It can carry through a campaign for the economic savings that result from standardization and the elimination of unnecessary variety and accomplish results that no one manufacturer can hope to secure alone.

It can, if desired, conduct an employment bureau for its members.

It can make or supervise such technical and research investigations and tests as may be for the good of the industry.

It can maintain a general publicity campaign which will react favorably to each member of the trade.

It can furnish special reports on business conditions within the industry and throughout the country as a whole, to aid each member in visualizing these facts.

It can help members to help themselves, in all these ways and others, and can do a hundred other minor things much better than individual members can do them themselves.

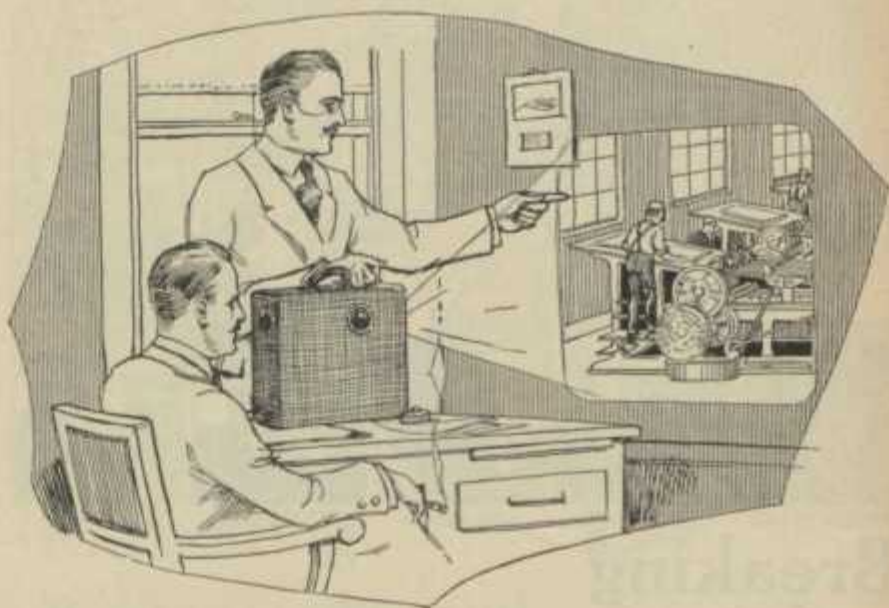
Seven Business Questions

ANY improvement in distributive methods will have as its ultimate result the elimination of waste, in the opinion of Alvin E. Dodd, manager of the Domestic Distribution Department of the National Chamber of Commerce.

Mr. Dodd explained that his department is making a study of the waste in distribution and in doing so has outlined "seven questions," not unlike the seven deadly sins, which must be answered before the solution of the problem is found. The questions are:

What are the stocks of certain selected commodities produced in each month of the year, quantity?

(Continued on page 16)



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In 1921 alone, 450,000 new poles were placed—enough to make a telephone line from New York to Hong Kong. The aerial wire put into service in the same year, 835,000 miles in all, is enough to string 60 wires on such a telephone line.

1,875,000 miles of wire, enclosed in 1,500 miles of cable, were added to underground and submarine lines in 1921. New underground duct totaling 11,000,000 feet was constructed, this representing approximately 300 miles of subway. 69 new central office buildings and important additions were completed or in progress, and new switchboards with a capacity of many thousands of connections were installed.

This equipment added to the Bell System, great though it is in volume and value, represents but a small part of the vast property which enables the telephone on your desk to give the service to which you are accustomed. And to meet the increasing demands for new service, the work of construction goes on.

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What are these stocks in suspension at the end of each month, by quantity?

What are these stocks which enter into consumption each month, by quantity?

What is the average price received by the producer for each selected commodity each month?

What is the average price paid by the retailer for each of these commodities each month?

What is the average price paid by the consumer for each of these commodities each month?

What is the ratio between expenses and profits in each spread each month?

There is at present no answer to any of these questions, except in a very few commodities, which can be relied upon as even approximately correct; and even in these few the answers are open to more or less doubt. Yet every one of these answers is of vital importance to business men who cannot expect stabilization in any material respect until the answers have been secured and their significance understood.

Transportation Ranks Second

WITH a total investment of approximately \$50,000,000,000 the transportation industry of the United States ranks second to agriculture and ahead of manufactures, J. Rowland Bibbins, manager of the Department of Transportation and Communication of the National Chamber of Commerce, informed the National Construction Conference in Chicago. Mr. Bibbins said:

This enormous figure covers only the actual operating plant for rail, ocean, highway, electric railway and waterway transport, and does not include factories producing the equipment and materials of construction.

The industry has nearly doubled in size in the last ten years, largely due to the tremendous expansion of motor transport and shipping. Rough estimates for the future indicate that during the next twenty years more capital probably will be required for new developments than our present national debt, which is about \$25,000,000,000, thus bringing the total transport investment up to at least \$75,000,000,000. This amounts to \$580 per capita, or \$1,450 for every worker gainfully employed in this country. These conclusions are based upon the steady increase in tonnage traffic required to meet the needs of the people during the last five decades.

Mr. Bibbins pointed out to the conference the important task confronting the transportation industry in preparation for handling the increased volume of traffic due to come with a full resumption of business.

Plea for Simplification

THE Fabricated Production Department of the National Chamber exhibited at the convention of the National Federation of Construction Industries at Chicago a series of photographs and stories relating to the eliminations of excess variety.

Each of the seventeen stories shown in the exhibit tells of the actual accomplishments secured in some line of industry, either by individual effort on the part of the manufacturers or by cooperative effort working through the trade association of the industry.

A tremendous interest has been aroused in the whole question of simplification, of which dimensional standardization and elimination of excess variety are integral parts, and great results are looked for in the coming months.

It is interesting to note the continued progress in eliminations in the paving-brick line. Last fall when a conference of manufacturers and civil engineers agreed on the elimination of five varieties out of six

six they manufactured, a standing committee was appointed to continue a study of the whole question. On Monday, March 27, this committee met again in Washington, considered carefully the facts their five months' study had developed, and four more sizes went out. Now only seven varieties of the original sixty-six will be produced.

An American Chamber in Athens

THE American Chamber of Commerce in Greece is one of the most recent adherents to the Chamber of Commerce of the United States among the American chambers of commerce in foreign countries. The president of the organization, Mr. B. P. Salmon, an American who has had extensive experience in marketing American merchandise in Europe, has pointed out that in the year 1920 there were only twenty-nine countries on the face of the earth which took more American merchandise than Greece, and there were only thirty-five countries which exported more supplies to us than Greece. Moreover, during the first nine months of the calendar year 1921 the relative standing of Greece in both the export and import lists had materially strengthened, the country standing No. 21 in our export list and No. 22 in our import list.

In the calendar year 1921 we shipped nearly \$30,000,000 worth of merchandise to that country, and we imported about \$22,000,000 worth from there. Among our imports fruits and nuts, especially currants, figs, olives and raisins, with leaf tobacco, goat skins and sheep skins, are most prominent. Whereas the list of our imports from Greece is comparatively short, the things which we shipped to that country run right through the alphabet of statistical nomenclature, from agricultural implements, blacking and polishes, to surgical appliances, suspenders, typewriter ribbons, umbrellas and parasols, vegetables, wool and woollen goods, touching a wide range of metal wares, machinery, leather, various food products, musical instruments, oils, and numerous other articles on the way.

Numerous American concerns had trouble in Greece in the rosy days of export in 1919 and 1920. Greece offers problems for the American exporter and the American importer which are sometimes important enough to claim a good deal of his attention. The new American Chamber of Commerce in Greece has announced that one of its tasks will be to endeavor to settle trade disputes arising between merchants in Greece and in the United States, investigating complaints of dishonest or improper business methods, and making impartial reports on what is found out. The American Chamber of Commerce in Greece is not strong numerically, but is strong in enthusiasm and in its purpose to smooth out the difficulties incident to commercial transactions between Greece and this country.

A Foreign Trade Exposition at Home

THE NATION'S BUSINESS has from time to time pointed out the renewed interest in the fair or exposition as a facility of which European nations are availing themselves in the transaction of foreign and domestic business. Within the past few months the Lyons Fair in France, the Leipzig Fair and the Frankfurt Fair in Germany, the Milan Fair in Italy, the Prague Fair in Czechoslovakia, and the Barcelona Fair in Spain have been vying for American patronage and American participation. All these fairs, and many of the 200 others which have been announced for the year 1922 in Europe,



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AN AMERICAN export firm cabled its representative in care of our Paris Office to call upon an important customer in Naples.

Our travel expert looked up schedules and connections, purchased his tickets, helped him secure passport visés and gave him a letter to our Naples correspondent. While the salesman was en route, our office wired ahead to reserve hotel accommodations.

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Facilitating the transaction of foreign business and saving the valuable time of our customers' representatives are daily services rendered by our offices abroad.

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have an eye on the promotion of foreign trade. Some live citizens of Baltimore, with the leadership of the Export and Import Board of Trade of that city, with the patronage of the Governor of the State of Maryland, and the Mayor of the City of Baltimore, and the active cooperation or at least the benevolent good will of the United States Department of Commerce, the Merchants and Manufacturers Association, the Board of Trade of Baltimore, the Baltimore Chamber of Commerce, and the Foreign Trade Club of Baltimore, are making a vigorous effort to put the Baltimore Export and Import Exposition on the international map.

Last year the Export and Import Board of Trade, which, incidentally, is a member of the Chamber of Commerce of the United States, and is the headquarters of the Baltimore cooperative offices of the Bureau of Foreign and Domestic Commerce, conducted a Marine Show and Export and Import Exposition which drew upwards of 90,000 visitors. The export and import feature worked out so well that the Export and Import Board of Trade this year decided to broaden the size and scope of the exposition, to enlist the interest of trade bodies and commercial organizations, and merchants, manufacturers, bankers, insurance men, shipping men and others having to do with foreign trade in the United States, and likewise to make a bid for foreign attendance and foreign participation.

The Export and Import Board of Trade has had a big hand in developing the Port of Baltimore, and is frankly using the exposition to draw attention to Baltimore's advantages as a seaport, as a port of export for the neighboring States and the Middle West, and as a port of import for business in all parts of the world.

The exposition will take place from July 10 to July 15, in the Fifth Regiment Armory, in Baltimore. It is being put forward, not only as a Baltimore affair, but as a national venture in this field of foreign trade fairs and expositions. Other cities in the United States will watch with close attention Baltimore's success in this venture, and possibly the export and import exposition idea will spread to other cities as proud of their advantages for foreign business as Baltimore is of what she has to offer.

Joins Finance Staff

BLAINE F. MOORE, an economist and expert on questions of international finance and trade, has been added to the staff of the Finance Department of the National Chamber of Commerce.

During the war Mr. Moore was an expert on questions of international finance and trade for the War Trade Board. He has published several works on economic and political subjects.

He was recently in the service of the United States Tariff Commission dealing with economic questions arising in connection with the Armament Conference.

"Hague Rules, 1921," Available

TO MEET the growing demand for the text of the Hague Rules concerning unification of Ocean Bills of Lading, the American Section, International Chamber of Commerce, has had the Rules prepared in a very concise form which nevertheless gives the full text. Copies of the Rules may be obtained by those interested in foreign trade on request from the Secretary, American Section, Mills Building, Washington, D. C.

Is There a Need for a Writer Bloc?

THIS communication is an outgrowth of Charles F. Scott's article, in our February number, on "Gold Bricks in Blocs," wherein he assailed politicians who, in his opinion, mislead the farmer. Mr. Sidney Greenbie, the author of "Japan: Real and Imaginary," and of "The Pacific Triangle," is a contributor to many magazines. His plaintive commentary on the advantages of farming and the disadvantages of writing has the merit of a novel viewpoint.

To the Editor of THE NATION'S BUSINESS:

I am a writer. For fifteen years before I could claim this title I traveled about the eastern hemisphere, gathering material to write about, and studying how to put my material together. This was my collegiate course, so to speak. I got nothing for it.

I am also a farmer. Recently I leased a hundred-acre tract in New York State, without having prepared myself in any way for the business of farming. I had learned that there was no occasion, really, for such preparation; and today, as I sat in my study looking out over a fertile ten-thousand-acre valley, I became aware of certain discrepancies in my account books as a farmer and as a writer. The writer in me began to feel aggrieved, and to accuse the farmer in me of grinding him down, of treating him as the capitalist is sometimes said to treat the proletarian, of depriving him of a fair show. In a trice I split myself into a writer self and a farmer self, a Dr. Jekyll and Mr. Hyde, and I walked into the fields, trying to argue this thing out.

"Look at me," said my farmer self. "I haven't put a single day into the study of soils or of grafting, in order to prepare myself for my career as a farmer. All I did was to take your little earnings as a writer and plump them down before a real estate agent, and with a dramatic gesture, say: 'Man, get me a farm.' And lo and behold! the farm was there, and I became a farmer.

"I have had to spend ten or fifteen long, lonely, solitary years acquainting myself with the queer behavior of human beings in order to garner one little truth about the world (without getting any money for it). But all I had to do after I planted myself on my acres was to say to myself:

"Now, what is it that you don't know a single thing about? Soils? Well, just write to the Government for information, and you will get a booklet, or perhaps a dozen booklets, on soils, and thereafter you will know all there is to know about them! Or I just send in a note to some Government experimental station in the neighborhood, and a specialist will come out and examine my soil, inch by inch, and tell me just what I should plant here and what I should plant there. Better still, if you as a writer have any doubt at all about your prospective farm—that is, before you have plunked your miserable writer's pittance before the agent—just ask the government to come out and use its perfectly good brains for you so that you, as a dub of a farmer, may not get stung. What's the need of spending a life time preparing yourself for your 'retirement' when you can 'retire,' so to speak, at the very beginning, and let the government work for you?

"Why, man alive, I have a stack of literature equivalent to all your books put together, those published and those to be born in nine months from now, which the government has sent me free of charge, all to help me succeed as a farmer. Can you praise your Government as justly as I can?"

"No, that I can't," answered myself, the writer, wistfully. "I have before me a letter from the office of the Superintendent of Documents. I have contributed two large volumes on the problems of the Pacific. These books are the result of ten years of study. But when



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It covers sales, finance, manufacture and all management features in present business conduct. Your organization can make the most of its opportunities through the action indicated in the clearly defined suggestions and program outlined.

Your 1922 balance sheet will be determined by your action now. While others are satisfied that the future is not in their hands, are waiting, procrastinating and just hoping, you can be reducing present losses, breaking even, or even making immediate profits, through active attention now to the many possibilities which they are overlooking. Then, too, you will entrench yourself against this careless competition.

Our book describes, besides many others, the following avenues of action:

Outline Future Program
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Locate Unprofitable Lines
Determine Unexploited Sales Possibilities

Now is the time to fight for your future. Others, who a short time ago thought they could do nothing, when forced to take hold, secured results beyond any expectations or hopes; sometimes, too, on very moderate operations previously considered hopelessly unprofitable.

This has not meant added details or routine, in fact it usually means less. Nor does it require long-drawn-out investigations or surveys, but rather a prompt program, immediate decision and quick results.

Requests for our 3d Blue Book, which we are distributing to executives, without obligation, will receive preferred attention when on firm stationery. Have your secretary write for it now.

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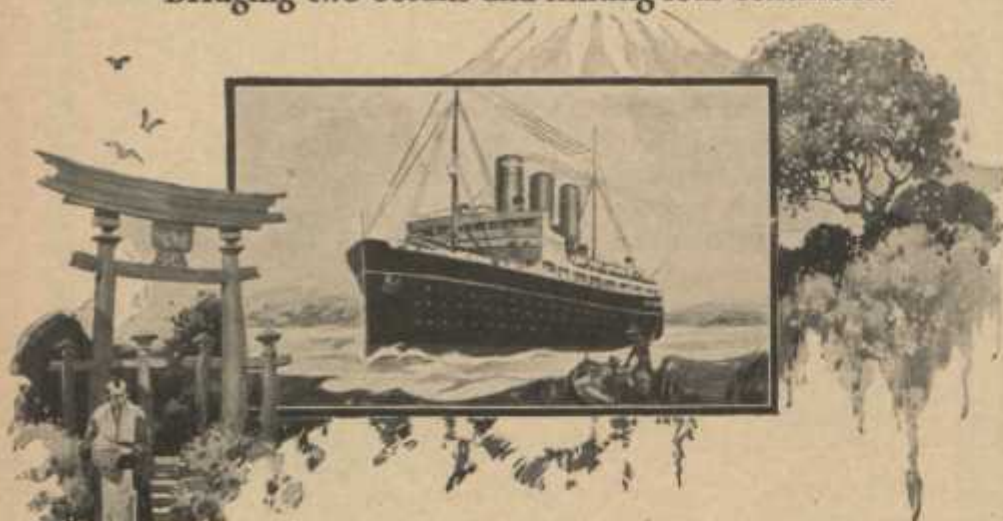
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I asked for a map of the Pacific, I was told to remit one dollar, if you please."

"That's because you as a writer are worth nothing," said my farmer self. "You do not produce any necessities. Politicians as well as farmers can live without your writings, but where is there a politician who can live without cash, alias potatoes or pork? Why, I as a farmer am so necessary that even my wife has to be looked after. If I don't eat properly, there is nothing which can be shipped on the railroads. But if you don't eat properly, you merely write the more."

"So even my wife must be looked after, and all I need do is marry a woman who knows absolutely nothing about domestic economy, and then say: What is it that is needed to make my wife a perfect housekeeper? Oh, of course, the Government will tell me. And to the Government I write. By return mail, postage prepaid, there arrives a booklet telling my wife how to run her house, how to look after her larder, and her chickens, and everything else that a wife must do to be a perfect housekeeper. You, poor writer, must marry a woman who is above housekeeping in order to keep up your dignity. And when you are broke, why you go to the pawnbroker. Not that he is broke than you, but he has more sympathy for you in your position than your government has. Why, in the Senate the other day, Senator Glass asserted that the Federal Reserve Board could not 'loan' even President Harding 25 cents, nor Rockefeller one dollar, or the United States Steel Corporation a penny. I don't know why he put the sums in that order, but I presume that had the Senator thought of writers at all, he would have put them in the mill class."

The Petted Farmer

THE truth is," said my writer self, "that whereas the farmers are being petted with all sorts of financial schemes, the writers are not even thought of. Of course, we are not producers of necessities, as you said, but aren't we consumers? And if we didn't have the money with which to buy, where would the farmer be?"

"The trouble with us writers is that we don't know what cooperation is. You farmers have learned it, and are making good use of it. Isolated as you have been, you have realized that the only thing that will save you is getting together. Now you are going a little too far. It is all right for you to do for yourselves through cooperation all that you can, but until our Government looks after our interests without family favoritism, it is not fair for you to force yourselves upon the Government to the disadvantage of people like ourselves, writers, who have no hold on the Government. Why, if the Government went into the production of potatoes for general distribution, there would be a howl from you farmers that would make every turnip turn up and see what's wrong with the world. But you don't in the least object to the Government becoming your writer for you, and taking the bread out of our very mouths by writing free of charge stacks of stuff for you farmers."

"If you heard that the Government had set aside a certain sum of money as prizes for the best poem, or the best story, and helped young writers to compete for them as monarchies sometimes have done in Europe, think of what you farmers would say. But you fellows are insisting that money be virtually distributed among you to tide you over your difficulties, or else you threaten to stop production. What would you farmers say if the Government established a manuscript market to take off our hands all our unsold stories, essays, poems, and books, or told us what we could do to get better prices for them? Enter politics, you say. Then publishers would rush for our stuff. Yes, that's the only way the Government ever helps us writers. It gives us a post as Ambassador once in a while, at which we have to keep up the dignity of our

country by elaborate entertainments out of our royalties. Yes, I know. . . ."

By this time my farmer self and my writer self had become so completely in sympathy with each other and in such perfect accord, that they threw their arms about each other's neck and merged into one again.

Trade Studies of Foreign Fields

SPECIAL STUDIES in the foreign field are now being issued by the Bureau of Foreign and Domestic Commerce in the form of separate pamphlets. There have already been published:

Forest and Lumber Resources of Poland
China: Automotive Conditions and the Good Roads Movement
The French Transportation Act of 1921
Gold Placer Area in Mongolia
Changes in the Economic Position of the Chinese Republic
The Brazilian Iron and Steel Industry
Cement Industry in China
Cotton Goods Markets of the Netherlands East Indies
Cotton Textile Industry of Germany

There will soon appear:

Cotton Textile Industry of Poland
Steel Making Facilities of Great Britain
New Cuban Law on Sugar Crop Financing
Cotton Textile Industry of Spain
Price Regulation and Production Costs in Germany
Cuba and Other West Indies: A Current Business Analysis
Market for Rubber Tires in Spain.

Our Banking Casualties

BANKS had their troubles in 1921 quite as much as other enterprises. Thirty-seven national banks went into the hands of receivers, with aggregate liabilities of \$23,677,000, and 528 state and private banks with aggregate liabilities somewhere over \$100,000,000. The average liabilities for the national banks in trouble were, therefore, about \$640,000; of the state and private institutions for which data have been collected they were about \$263,000.

Such years will test the plans in operation in some states for guarantee of bank deposits. The number of banks which got into trouble in 1921 and are situated in states having plans of this sort are:

Kansas	11
Mississippi	6
Nebraska	22
North Dakota	34
Oklahoma	22
Texas	36
Washington	11

Trade Visits That Hurt

A CHAMBER OF COMMERCE visit to a neighboring country usually does good, but a promised visit not performed is certain to do harm.

From an American consul in Mexico comes an instance. An American city was sending a delegation through Mexico and was scheduled for a four hour stop at a town where the consul lives. Every preparation was made for them, bands and luncheon and carriages. Troops were out and business houses were thrown open. But no visitors and no word from the visitors—nor were they ever heard from.

What the expectant hosts thought can be guessed. It would not be hard to imagine their attitude toward trading with the United States. There's a moral too. It would be well for visiting delegations from American Chambers to keep in touch with the American consuls along the line of their tour.



I Can Help You Here!

IN MOST shops there is some particularly hard drilling job. Probably there is such a job right in your own shop. You are looking for an answer to this problem—an answer which will make your drills last longer—reduce drilling costs.

Those are just the problems we like to get hold of—to solve. Each of our travelers is experienced in drills and drilling problems. They are at home right in your own shop, working with your foreman and drill press operator. They can help you with practical advice.

If you are having these difficulties let us know. As the makers of Carbon, Mezzo and High Speed drills, we can suggest the drill best suited to your work.

Let us help you reduce costs on your drilling and reaming operations. Just give us a little information and we will solve these problems for you as we have done for many others.

The **CLEVELAND** TWIST DRILL COMPANY
CLEVELAND
NEW YORK - CHICAGO - LONDON
TRADE MARK REG. IN U. S. AND FOREIGN COUNTRIES

An Ancient Commerce Body

By WESLEY FROST

United States Consul at Marseilles

SINCE the Mediterranean basin constitutes the oldest trade region in the world it is appropriate that Marseilles, its economic capital, should have been the earliest city to establish a chamber of commerce.

French chambers of commerce differ considerably from those of the United States in being more closely connected with the government. Under a long series of French laws and decrees, of which the most important for the present purposes are the decree of September 3, 1851, and the law of February 19, 1903, French chambers of commerce are given the duty and right of advising the French central government and of dealing with local governments on all matters relating to commerce and industries, including navigation and docks, railways, postal and telegraph services, customs and local taxes, the grading of merchandise, the regulation of industry and labor, etc.

They have also the right to collect taxes themselves in order to finance public improvements in accordance with agreements with the central government. Instead of consisting of a large number of voluntary members they are composed of small boards, elected by the suffrage of all the licensed merchants of the cities in which they are situated. It will be seen that French chambers of commerce have greater quasi-governmental powers, financial privileges and public prestige than American chambers of commerce.

The Marseilles Chamber of Commerce was organized as a result of the commercial depression existing in the Mediterranean region at the end of the sixteenth century. The civil wars of France and the growth of sea piracy had produced a trade situation calling for radical steps; and on August 5, 1599, the city council of Marseilles called a public meeting at which it was decided that the council, with the aid and advice of the leading merchants of the city, should appoint four of the latter to concert and execute measures for the protection and rehabilitation of commerce.

The institution thus inaugurated received letters patent from King Henry IV on the 18th of April, 1600. It was authorized to finance itself to the extent of 1,200 crowns per annum by taxing imports of merchandise. The four "deputies" immediately co-opted additional merchants as members of this body, the total number varying from 16 to 22 persons, and proceeded to regulate importations from the Levant and to equip war vessels against the Barbary corsairs.

Its success was such as to gain for it an immediate ascendancy in many public matters at Marseilles, and it soon incurred a certain amount of jealousy on the part of the city government and even of the central government of France. The practical wisdom and vigor of its members, however, and the efficiency of its act were such that it was able to consolidate and even increase its authority. In 1650 it was freed by the king from the power of the Marseilles municipal council, although the latter retained the right to furnish certain of its members. Its functions were defined as "the regulation of all commercial affairs, the reception of complaints

by merchants, shipmasters and others, the supervision of import practices in the French commercial outposts in the Levant, and the institution of taxes deemed necessary by it."

In 1669 the Chamber was charged with the sanitation of the port, and in 1717 it was given participation in the purchase, construction and maintenance of docks and dock equipment, which it took over entirely in 1776. Throughout this period its most important power was probably that of regulating French commerce with Turkey, Syria, the Eastern Mediterranean and North Africa.

As the Chamber was virtually a closed corporation, operated by and for the wealthy classes of Marseilles, it found itself adversely regarded by the French revolutionary governments and was even completely abolished for a time. Under Napoleon I, however, it regained a large part of its prerogatives, although subject to the supervision of the popular governmental bodies; and under the Restoration it was given even greater powers than at any preceding time and was virtually free from dependence upon the central government. Under Louis Philippe began the process of widening the electorate by which the members of the Chamber of Commerce were chosen.

The relations of the Chamber of Commerce with Napoleon III were exceedingly cordial; and he presided in person at the opening of the magnificent Palais de la Bourse, in which the Chamber has its offices, whose erection the Chamber brought about in 1860. The institution of the Third Republic in 1871, with its democratic institutions and strong nationalistic policy, brought about a gradual broadening of the Chamber's electorate and eventually produced the law of 1908, under which every person authorized to engage in operations of purchase and sale is entitled to vote for the membership of the Chamber. At the present time the electorate numbers about 15,000 persons, and the Cham-

ber of Commerce is composed of twenty-four members chosen by them.

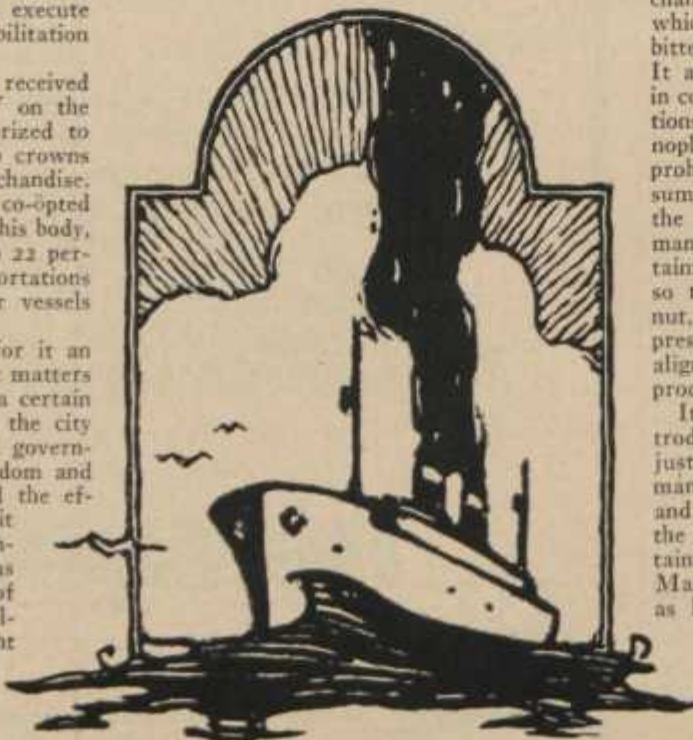
Since the Chamber had traditionally been managed by the *haute bourgeoisie* class, and since the general population here is distinctly socialistic in its views, it might have been anticipated that the popular election of the Chamber would have resulted in the choice of a new and more socialistic type of members. It is an interesting fact, however, that in this radical city the popular election of members of the Chamber of Commerce has not resulted in any change in the latter's character, but, on the contrary, has continuously returned a large majority of members belonging to the old families of Marseilles merchant princes.

Its Modern Era

PRIOR to what may be termed the modern era of the Chamber, commencing about the year 1850, many of its functions were of a nature which would appear rather strange and romantic under present-day standards. The Chamber furnished financial support for the French ambassadors and consuls in the Levant, in whose nomination it exercised great influence; and these functionaries were regarded as virtually emissaries of the Marseilles Chamber. It organized and maintained fleets of armed sailing ships to act as convoys to merchant ships and as adversaries to the Barbary corsairs, while most of its war vessels were theoretically bestowed upon the King of France as gifts, and through his acceptance became recognized vessels of the French navy; and in addition the Chamber offered munificent gifts to French naval officers and crews who distinguished themselves in the Mediterranean wars.

The economic policies of the Chamber prior to the modern era were almost invariably mercantilistic and reactionary. It antagonized the organization of governmental postal service on the ground that every merchant ship had the right to carry any mails which might be entrusted to it. It was bitterly opposed to the abolition of slavery. It also opposed the independence of Greece, in continuation of its traditional friendly relations with the Turkish power at Constantinople. It succeeded for many decades in prohibiting soap manufacture during the summer months of each year, and precluded the use of any oils except olive oil in soap manufacture—both with the purpose of maintaining a high quality for Marseilles soap—so that the greatest center of copra, palm-nut, and peanut oil manufacture at the present time was for many decades positively aligned against the commercial use of these products.

It viewed with grave apprehension the introduction of railways, pointing out the injustice which they might do to the wagon manufacturers and horse breeders of France, and was inclined to disparage and retard the use of telegraphs. It succeeded in maintaining a tariff barrier between the city of Marseilles and the interior of France and as late as the downfall of Napoleon re-instituted this barrier for a time. While opposed to monopolies granted by the court to merchants and courtiers at Paris, it was eager to receive monopolies for its own merchants, and was



virtually in charge of the famous French African Company, which monopolized certain lines of trade for many years.

During the era which marked the advent of free trade and liberal theories, commencing under Napoleon III, the Marseilles Chamber completely altered its economic attitude, and from this time forward it has been the earnest champion of the freedom of commerce in every particular. It antagonized the French policy of confining to French citizens the trade between France and its colonial domains. At the present time it is continually protesting against the nationalistic customs restrictions of the French Government, the export prohibitions, the increase of the French tariff rates, etc., and its influence on French economic policy may be likened to that of Manchester and the Manchester School in British economic policy. In recent years the Chamber has continuously advocated for a free port at Marseilles, without, however, accomplishing more than a liberalizing of the regulations for entry in bond. Within a few weeks the Chamber has come out in favor of some sort of renewal of relations between France and Russia.

A Wide Range of Activities

THE current activities of the Marseilles Chamber of Commerce today are so multifarious as almost to defy summary. It has converted the harbor of Marseilles into the most efficiently and extensively equipped port in the Mediterranean, and the famous "10 miles of docks," with their splendid loading and unloading machinery, their railway termini, fuel oil installations, etc., have for the most part been directly financed, constructed, and maintained by the Chamber.

The Chamber maintains stations for the grading and inspecting of grain, wool, silk and certain other commodities. It contributes to the maintenance of thirty-one courses of technical commercial study in educational institutions at Marseilles. It is also concerned with the maintenance of the light-houses of this region. The sanitary and quarantine facilities of the harbor likewise receive its attention, and it may be said to have originated, in the seventeenth century, the quarantine station at Marseilles, which has always been the model for Mediterranean quarantine stations and was recently declared by Doctor Rupert Blue still to be the finest institution of its kind in the Mediterranean.

It originated and is carrying forward the construction of the Marseilles-Rhone Canal, with its 4-mile subterranean tunnel, the greatest engineering feat since the building of the Panama Canal. It brought to Marseilles the Paris-Lyon-Mediterranean Railway, and is at the present time promoting the construction of more direct lines between the Riviera and Paris, as well as between the Valley of the Durance and upper Italy.

It issues fractional currency jointly with other Chambers of Commerce in the south of France for the entire Midi; and has been instrumental in loaning the credit of the city of Marseilles to the Central French Government for the flotation of loans in America on the credit of the cities of Marseilles, Bordeaux, and Lyon. It supervises the bourse of Marseilles.

The Chamber has been largely influential in forcing the French Government to dispose of the merchant tonnage operated by the latter as a result of the war, i.e., to disperse the French Flotte d'Etat, which corresponds to the United States Emergency Fleet Corporation. It possesses a predominant voice in the establishment and maintenance of regular steamship lines between the south of France, the French colonies and the Levant.



VALENTINE WINTERS

PRESIDENT, WINTERS NATIONAL BANK, DAYTON, OHIO
PRESIDENT, CITY RAILWAY COMPANY, DAYTON, OHIO

A complete audit by a reputable firm of certified public accountants is beyond all doubt one of the greatest factors in making for better business. The corner-stone of the foundation of the credit structure is the availability of credit at the proper time and in the proper proportion to the needs of business as a whole.

Only through the medium of a complete audit can the banker feel the pulse of the borrower.

Published in the interest
of better business

BY ERNST & ERNST

Valentine Winters

BUSINESS STUDIES

A number of pamphlets are available for distribution by the Chamber of Commerce of the United States. There is given below a list of some of the booklets, this copy of each will be sent free on request. A nominal charge amounting to the cost of printing will be placed on additional copies.

Our World Trade—January to September, 1921.
Free Zones—What They Are and How They Will Result American Trade.

What a "Cost System" Should Do For You.
International Credits—Referendum No. 1, issued by the International Chamber of Commerce on the application of the Tar Meador Plan.

Fabricated Production Department—Its service to those engaged in manufacturing and production.
The Railroad Situation—Statement of Secretary of Commerce before the Interstate Commerce Commission.

Means for Presenting Public Interest in Transportation—Report of Railroad Committee of the Chamber of Commerce of the United States.

Trade Association Activities—Correspondence between Secretary of Commerce, House and Attorney General Daugherty on Legitimate Activities of Trade Associations.

Overhead Expenses—A Treatise on How to Distribute Them in Good and Bad Times.

Depreciation—A Treatise on Depreciation and Production. Reduction of Merchandising Expense—Methods which Distributors Are Applying to Ease the Process of Readjustment.

Promoting Foreign Trade—Foreign Trade Work of Commercial Organizations.

European Problems Affecting American Business—Report by a Special Committee on Economic Conditions in Europe.

Railroad Questions Before Congress—Testimony of Railroad Security Officers.

How You Should Vote on a Referendum.
Why You Should Vote on a Referendum.

The Building Situation.
Agricultural Bureaus and Committees.

Commercial Organization Credit Bureaus.
Building and Maintaining a Local Chamber of Commerce.

Retard Trade Extension—Activities undertaken by Chambers of Commerce.

Industrial Development—Activities undertaken by Chambers of Commerce.

German Competition—Movement of trade as indicated by official statistics.

National Chamber's Civic Work—Purpose of the Civic Development Department.

Perpetual Inventory or Stores Control—How to keep inventory in materials and supplies down to the minimum consistent with efficient operation.

National Obligations to Veterans—The costs of war borne by the States and the Government.

A Change in Our Tariff Methods—A tariff adjustment Board. A Flexible Tariff. Recommendations by a special committee on Tariff Principles.

Treaty Ratification—Report of the Committee on Foreign Affairs regarding ratification of the several treaties of the Conference on the Limitation of Armament.

CHAMBER OF COMMERCE OF THE UNITED STATES, WASHINGTON

The Builders

During a century of amazing achievement, there has grown up in this country a nation of homes, served as no people ever before was served, by railroads, public utilities and every phase of industry and commerce which could increase the comfort and happiness of living.

This tremendous progress is attributable to the courage, vision and constructive genius characteristic of the American people—a race of builders.

It is inevitable that during the next half century the world will need to draw heavily on American resourcefulness to aid its material progress.

Difficult problems are involved in the extension of this usefulness to other countries, but the National Bank of Commerce in New York believes that every forward-looking business man should study and understand America's future relation to world markets.

National Bank of Commerce in New York

Capital and Surplus Fifty Million Dollars



Too Many Sizes!

By JOHN BURNAM

STANDARDS of quality in building are often questions of physics or chemistry which may require long investigation, but certain problems of dimensional simplification promise early results and need not interfere with the necessary variation in design or style.

There are entirely too many different sizes and grades of many of our materials. The tendency is towards fewer, but the progress is slow. There is always the desire to produce something new, something different, something distinctive, something that will attract the trade of certain customers, something that will give the salesman talking points. Considering various building materials, we find that lumber cannot be standardized as can steel. First, we have many different species of trees. Many are well adapted for the same purpose and they must compete with each other. They give room for a difference in texture, color, grain, as well as strength.

We do not care whether they be soft woods or hard woods—pine, hemlock, or fir; oak, maple or gum. Still all the species are used in building, and in certain directions there is little chance for standardization. There is, and should be, greater standardization of sizes and grades.

Some people do not seem to understand the lumber business. They talk as if we had a knotless pine something like the seedless raisin or orange. They seem to feel that you can cut lumber into any shape or size, as you can roll steel. There is a limit to the standardization that can well be effected in lumber. Trees do not grow so that you can get a certain number of logs of a single length out of each tree. There necessarily will be different lengths and different grades, dependent largely upon defects.

The Styles in Window Sash

THE number of styles and sizes of window sash now used is very large. Comparatively few styles or sizes are needed in the building of small houses. The wholesale sash and door dealers often advertise more than 400 different styles and sizes. It would probably accrue to the advantage of the producer, the vendor, the builder and the public if there were a much wider use of a relatively small number of sizes. This problem is one which requires cooperation from all sections of the country, as many of the variations are due to local influences. The stock which the dealer would need to carry would be much smaller than it now is, and the manufacturer would be able to produce more for stock and less for order, thus enabling him to iron out his peak load in production.

Is there any need for 100 or 150 sizes of single-strength window glass, and approximately the same number of sizes of double-strength glass? Are all these sizes necessary to satisfy the artistic sense of our people? They are not. It is a burden to the producer, wholesaler and retailer, an extra cost which is handed down to the home-owner or renter. There is also a lack of standardization of terms or definitions for which there is little excuse. The window-glass manufacturer, however, cannot establish standards without the cooperation of the manufacturer of sash, the architect and other groups in the construction industry. No one group can be blamed for the large diversity of sizes, and no one group can remedy the situation. Before marked progress can be made, every

group dependent upon the construction industry must recognize that it is a part of that great industry.

It has been the custom in the structural slate industry for the quarryman to prepare the structural slate in accordance with the orders he receives. The architect and builder specify the sizes. Here we have another instance of production to order which does not permit the quarryman to produce for stock, for neither the size nor the design is known in advance. This results in a heavy investment to take care of the peak in production. It means not only an unnecessary investment and equipment but high seasonal employment of labor. It results in unemployment and a high labor cost.

The structural slate producers of Pennsylvania have proposed standards after very careful study, but before much good can come from this step they must have the support of the architects and the builders.

There are a number of other products in which a smaller number of varieties is possible.

It is possible that a smaller number of sizes of pipes, drain tile, hollow building tile, glazed tile, the fittings, doors, locks, and other items of hardware, be produced. Just how far it is advisable or advantageous to go in the direction of the elimination of variety I am unable to say, and I believe few manufacturers or builders are now in a position to answer the question. It is time, however, that a study be made with the cooperation of all groups interested in construction to determine how far fewer dimensions should be produced, fewer varieties placed on the market without curtailing or without hindering the initiative of the individual in making intelligent progress and advancement. There will always be room for a large number of varieties in the more expensive construction, especially in the items which may be classed as style goods.

There was a day when random width and random length of flooring prevailed. Today we have relatively few widths. Who brought about this change? I do not know just who contributed most, but I do know that the construction industry played a very important part. On every hand we find that progress is being made. I do not insist that greater standardization is desirable in every field. All that I contend is that a study should be made and that, where the findings justify it, a reduction in the sizes should follow.

To reduce the number of varieties is one way of eliminating waste, of producing at lower cost and increasing the amount of building and home ownership. A large number of varieties often means that the manufacturer starts out with a very heavy investment, that he must be equipped to take care of the peak of production which is higher than it is where few items are produced. He must earn a fair return on this additional capital, he has a higher labor turnover, and the great variety of products does not enable the development of skill to the extent that it does where a small number are produced. He must be equipped to take care of the peak in his business when the orders come in faster, just as the power plant must be equipped to take care of the peak load. He must keep more records and more complex cost sheets. There are more chances for error, longer lists on the order blank, orders more difficult to fill and many other things which add materially to his expense. How does the retailer fare? He must carry a larger variety and larger stock to take care of the immediate calls. He buys in smaller quantities, quantities not so economically



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A typical example of the application of Alundum Safety Tile to concrete steps.

Administration building of Buick Motor Car Co., Flint, Michigan.

It solves the problem where oil and grease make stairs dangerous.

Detroit Edison Company plant.

**It reduces the slipping hazard
It reduces the compensation risk
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ALUNDUM SAFETY TILE

is made of the same materials and possesses the same resistance to wear as the well-known Alundum Grinding Wheels. Replacement charges are negligible because of this non-wearing property.

For use in factories, garages, railway and subway stations and public buildings as both stair treads and floor tile.

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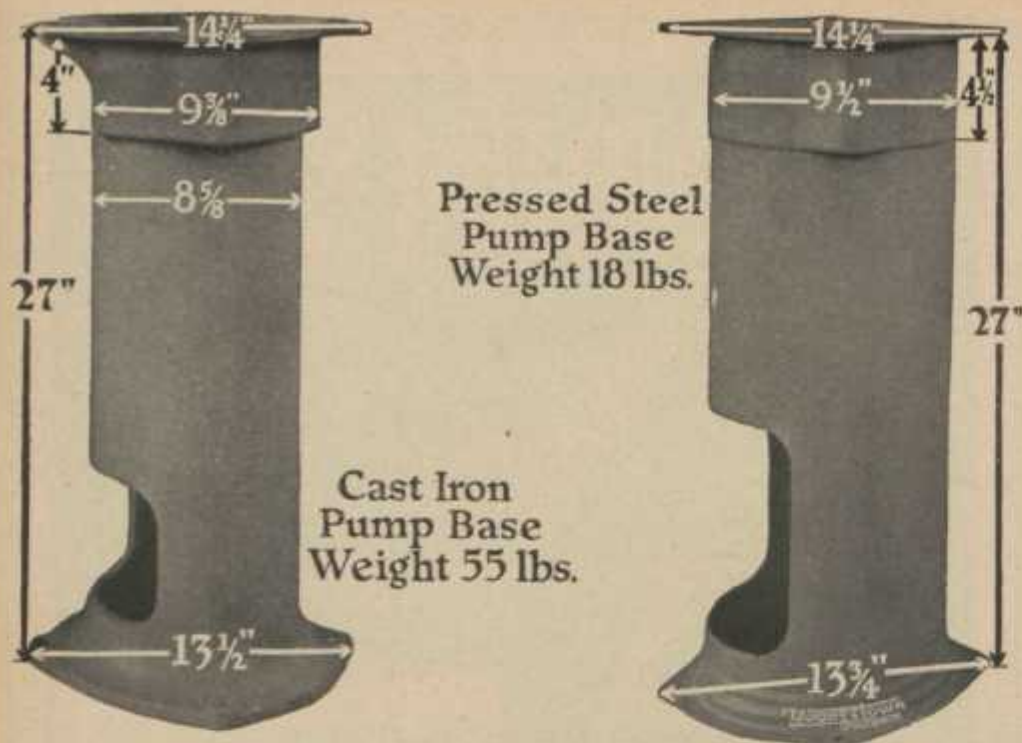
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One Sure Way to Lower Costs

EXPERIENCE is proving that the time has come when the business that can eliminate waste processes is the business that will remain and show profits. Taking this thought to heart, the engineers of The Wayne Tank and Pump Company of Fort Wayne, Indiana, asked us how much they could save on a certain type of pump stand by pressing the parts from steel, instead of using the cast process then employed.

The base of this pump is pictured above. Pressed Steel saved more than 67 per cent of the weight on this one part of the pump alone. The total job of four parts showed a nearly equal percentage of saving.

Are You Using Cast Parts?

Perhaps your product contains one or more cast parts that might be "pressed from steel instead." Our Engineering Department was organized to help manufacturers study the application of pressed steel to their problems. Send us a sample or blue print and description of the purpose of any cast part you are using, and we will be glad to tell you whether we can make a saving for you with pressed steel.

"Press it from Steel Instead"

YOUNGSTOWN PRODUCTS FOR MANUFACTURERS & BUILDER

AGRICULTURAL	AUTOMOTIVE	GENERAL	FIREPROOFING
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handled by the producer. He increases the L. C. L. business of the railroads instead of full loading which relieves the periodic shortages. He must have a larger yard, shed, or store. The work of taking inventory and ordering is increased, and the consumer who demands all of the many varieties must pay the bill for you cannot have your investment largely increased without earning a return. It is not only the dealer or the producer who must add to the cost of doing business, but the contractor also buys in smaller quantities.

And the owner of the building, when completed, will find it much less economical not to be able to buy standard stocks in maintaining the structure.

E. W. McCullough, of the Fabricated Production Department of the Chamber of Commerce of the United States made a suggestion through the United States Department of Commerce some time ago that contractors, architects and engineers be called together to agree on certain definite simplifications of dimensions; and it was as a result of this that a committee assembled last February in Washington which recommended that immediate consideration be given to simplifying millwork, plumbing, heating and lighting, interior wall construction, hardware and clay products.

This committee was made up as follows:

F. L. Ackerman, American Institute of Architects; Dr. P. G. Agnew, American Engineering Standards Committee; Carl F. Grieshaber, Delano & Aldrich; W. H. Ham, Bridgeport Housing Co.; W. S. Hays, National Federation of Construction Industries; Noble F. Hoggson, Hoggson Brothers; Sullivan W. Jones, American Institute of Architects; E. W. McCullough, Chamber of Commerce of the United States; Walter E. Truesdell, Consulting Construction Engineer; Stephen F. Voorhees, American Institute of Architects; L. W. Wallace, Federated American Engineering Societies; Waddy B. Wood, Architect, Washington.

The Department of Commerce was represented by: Dr. John M. Gries, Chief, Building and Housing Division; James S. Taylor, Administrative Assistant; William A. Durgin, Chief, Division of Simplified Practice; Ray M. Hudson, Technical Assistant.

When Control Becomes Complete

THE NATION'S BUSINESS has been always ready to break a lance against unwarranted government interference in business. This must have been in the mind of R. B. Parrish, president of the Bluefield (W. Va.) National Bank, when he sent us a prophetic editorial from the *Huntington (W. Va.) Herald-Dispatch*. The editor imagines a series of letters dated 1932. One of them is from a railroad station agent to "A Farmer."

We hold at this station awaiting your further disposal ten sacks of corn. Beg to advise that this corn cannot be shipped into another state until first having been inspected by the Supervisor of Grains and Vegetables, whose certificate must be attached to the bill of lading. Suggest you get in touch with Department of Agriculture and ask for Blank form AA374000888 and B76767676, which, when duly filled and attested before a notary public, you will present at this office with proof that you have paid your income tax attached, together with affidavit (as per blank enclosed C9994040W) showing average production per acre of the ground upon which this corn was produced, also (see enclosed form No. G7228444933) an affidavit showing the cost per bushel of production.

With this before me I will be able to communicate with the Ohio Trade Commission, which body will, if satisfied the records have

been fully complied with, make formal application to the Interstate Commerce Commission at Washington, asking permit for the grain to go forward.

Another is from "L. M. Delay," of the "Bureau of Public Morals" to a Motion Picture Theater Owner:

I have before me your application for permit to show Film B63669460. I regret to inform you that your papers are faulty and that until amended to conform with the rules the permission prayed for must be withheld. Please note inclosed circulars which contain latest regulations, and you will find that Film B63669460 ("The Heart of a Faun") has not been properly vised. Points of omission cited: said film, while duly passed by the National Board of Censors, the State Board of Motion Picture Supervision, the Cabell County Junta of Censorship, and the Huntington Municipal Inspection Bureau, lacks approval of the Society for the Uplift of the Uninitiate; the Woman's League for the Gradual Sophistication of Youth; the Patrons of Personal Purity; the Amalgamated Keepers of Conscience; and the Bureau for the Prevention of Individual Opinion. If you will secure approval of these various bodies in proper form, I shall take pleasure in referring your application, together with the records attached, to the Department of Commerce, whence it will be permitted to take its natural course toward final passage.

The Depression's Calling Cards

IT HAS commonly been supposed that the first manifestation of the disastrous depression from which American business is but now emerging was seen in the slumping prices of jewelry, silks and other luxuries. As a matter of curious fact, the earliest omens were bank notes of small denominations—one-dollar, two-dollar and five-dollar bills—which flooded large city banks.

Benjamin M. Anderson, economist for the Chase National Bank in New York, in commenting not long since on this singular circumstance, said that in December, 1918, soon after the armistice, there began a sharp preliminary liquidation which lasted until about April, 1919. The situation was unusual in that everybody was expecting it and everybody was ready for it. That was why it manifested itself quickly in the movement of actual small cash. As a rule the first symptom of a crash is more likely to be an outward movement of cash from the banks, an intensification of borrowing, and slower collections. The situation therefore was unusual.

Said Mr. Anderson:

Into the large city banks there poured many millions of dollars a day in one, two and five-dollar bills. The thing was first called to my attention by the head of a currency department coming around to try to borrow some clerks from other departments to help count the money. He was keeping them working overtime. He was an able man and he wanted to know what it meant. The thing grew. Clerks were working two and three hours overtime, and there was \$500,000 in one-dollar bills uncounted at the end of the day.

What was the significance of it? It was the first symptom of the after-the-war liquidation felt in the operations of a central city bank, and manifesting itself there before it got into the papers, before it got into loan operations; pay rolls falling off, retail business falling off, idle cash piling up in country banks, country banks sending it to New York to get 2 per cent on it, New York banks promptly taking it over to the Federal Reserve Bank to pay down rediscounts. The first symptom of that liquidation manifested itself there.

"Kreuzung mit dem unteren"

An everlasting floor for your plant

The only way to have a *permanent* wood block floor is to be sure that the blocks are not only properly manufactured and properly installed, but that they are treated with absolutely pure creosote oil.

Absolutely pure creosote oil is the one certain preservative. It contains no adulterants to ooze out; it adds to the wearing qualities of the wood blocks; it provides a water-proof, dust-proof, everlasting floor.

Making our own creosote oil, we can and do guarantee it. Treating our own blocks—Kreodone Wood Floor Blocks—we can and do guarantee them. More than this—installing these guaranteed blocks for you, we can and do guarantee the floor itself.

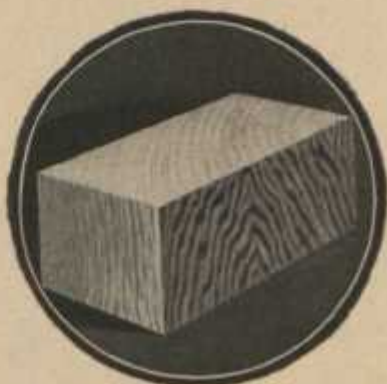
A Kreedone Wood Block Floor, put down according to our specifications, gives the finest foundation imaginable for heavy or light machinery. It pays for itself as the years go by, in the elimination of repair bills and other expenses incident to reflooring.

Kreodone Wood Floor Blocks are made plain, lug or grooved, as desired. We ship them in box or stock cars to protect them in transit.

Full details, specifications, prices and complete information promptly furnished on request.

REPUBLIC CREOSOTING COMPANY
Original Makers of Wood Block Floors
Indianapolis, Ind.

Plants:	Indianapolis	Minneapolis	Mobile	Seattle	Norfolk
912 County Bank Bldg., Dallas	St. Louis, Mo., Minneapolis	414 New Union Trust Bldg., Philadelphia			
525 Erie Avenue, Toronto, Canada	121 Hammond Bldg., Cincinnati	221 Central Bldg., Seattle			
714 Duane Bldg., Boston	Angus Court Co., Harris.	221 Central Bldg., Seattle			
1000 North 4th St., Louisville, Mo.	417 Chemical Building, St. Louis	221 Central Bldg., Seattle			
1000 North 4th St., Louisville, Mo.					



What a Small City Club Did

By R. P. CRAWFORD

OUT in Lincoln, Nebraska, there is a club that is decidedly different from the usual run of clubs. There is no great diversity of clubs in Lincoln, but one big club which is a social, business, and civic organization, all in one.

This club owns its own building, in the center of the city. Its property interests today are worth close to \$200,000 and the entire project was financed without any donations. There are nearly 2,000 members, which include professional as well as business men.

The Lincoln Chamber of Commerce it is called. It was some years ago that the officers of this organization caught an idea of what a club might be made in a small city. There is a lesson here for any small city that feels the need of something of this kind, but does not know how to go about it.

It was back in 1910 that the club had its real beginning. For some years the Commercial Club, as it was then called, had been renting quarters in an office building. But when these were outgrown it was found that suitable quarters in either of the newest office buildings in the city would rent for \$5,000 a year.

"We thought this was a lot of money, and soon began to think of the amount of money this would pay interest on," Secretary W. S. Whitten of the club explained to me. "Our annual dues were then \$14 a year, and we thought perhaps members would be willing to subscribe enough money which at 6 per cent would net them enough to pay their dues, especially if we could broaden out and get away from the old idea of a commercial club.

"Five men subscribed \$250 each, and we laid that list on the counter without asking anyone to sign it. But soon there were forty signatures of men who would each take \$250 worth of this 6 per cent stock. By then we were sufficiently encouraged to go out and get signatures. We set out to sell \$50,000 worth of this building stock and sold \$51,500 worth. A vote of the membership, which then numbered between 700 and 800, was overwhelmingly in favor of erecting a building. The property we bought cost us only \$20,500.

"We did not have enough to finance the

new building, but we felt justified in selling the stock as a bona fide 6 per cent investment. The club had a surplus of \$15,000 in its treasury. We sold all told \$143,500 of this stock and the total cost of the land and the new building reached that amount. The Commercial Club then leased it from the Lincoln Commercial Club Building Association on a 99-year lease at an annual rental equaling 6 per cent on the outstanding stock. Today the club has bought in \$85,900 worth of the stock and the rental of a few store-rooms on the ground floor pays the interest charges on the stock outstanding. There were many members that turned in their stock and instead took life memberships at \$250. Today the club has purchased an old building north of it for \$16,000 out of its earnings and plans to erect an exact duplicate of the present building on that site to afford additional club rooms."

Not a bad financial deal, for a club that even with the high cost of everything has never asked more than \$20 a year membership and never charged more than the \$10 initiation fee.

A Center of Activity

THE club today has become the meeting place for all the men's organizations in the city, quite regardless of whether the majority of their members belong to the Chamber of Commerce or not. In that way a unity of feeling has been developed throughout the city. The Rotary club has its own room in the building, while the Kiwanis club and the Lions' club have their meetings there.

There is another side to the story of this larger club—it is the story of what it is doing to build up the city in something other than a purely commercial way. Lincoln is naturally an educational center, with a state university and three other universities and colleges in its suburbs. A few years ago the Junior Civic and Industrial League was launched in cooperation with the city schools. Membership in this league varies from twenty or so boys in the schools in outlying districts to several hundred in the larger schools. There is a similar organization for the girls.

An effort is being made through this league to inculcate in the boys and girls the high



This is the way the Hartford presented its report

This fire prevention report summarizes a thorough investigation of one plant's condition. It is typical of many others made for Hartford policyholders.

The Hartford Fire Insurance Company not only insures your property but without additional charge it can send trained fire prevention engineers to inspect your factory, or mill, or warehouse, who will point out the danger spots that may cause fire, and cooperate with you in removing them.

Large properties in particular, need such an inspection service.

Even if you are not a Hartford policyholder, we shall be glad to show you by examples how this Fire Prevention idea may be made practical. Write on your regular letterhead to:

Department of
Special Service

**Hartford Fire
Insurance Co.**

Hartford, Connecticut
U. S. A.



The Seal of Certainty
on a
Fire Insurance Policy

There is a local agent of the
Hartford near you. Shall
we tell you his name?



Boy members of the club translating their ideals into cement sidewalks

Another
Hockenbury
Success!



Dreher, Churchman & Paul
Architects, Phila.

Does Your Town Lose Conventions?

Have you ever tried to bring conventions to your home town only to find your local hotels inadequate to accommodate such great gatherings?

Your town lost the convention and the advertising thereof; your merchants lost the money the delegates would spend!

How many other conventions does your town lose in the course of a year for the same good reason?

Other towns are building their needed hotels. Why aren't YOU?

Ask us for "Financing Your City's New Hotel," follow its suggestions; and conventions will come to your town!

The Hockenbury System Inc.
Penn-Harris Trust Bldg. - Harrisburg, Penna.

ideals of civic life, coupled with practical things that each boy and girl can do. Each boy when admitted to the club repeats the Ephebic oath:

We will never bring disgrace to this, our city, by any act of dishonesty or cowardice. We will fight for the ideals and sacred things of the city, both alone and with many. We will revere and obey the city's laws and do our best to incite a like respect and reverence in those above us who are prone to annul and set them at naught. We will strive unceasingly to quicken the public's sense of civic duty. Thus in all these ways we will transmit the city not only less, but greater, better and more beautiful than it was transmitted to us.

Keeping the Boy's Interest

REGULAR meetings of this boys' organization are held and there are numerous excursions to industries and institutions of interest. In this way the young people become acquainted with their own city. Then the clubs in each school district take up some special project. During a year when the tussock moths threatened the city the boys and girls scraped the trees in their residence sections of moths and burned the cocoons. During "Clean-Up-Week" the work of the various civic organizations was based on the work of these school clubs, who searched out the unsightly places in the city.

Boys belonging to the club of an outlying school laid 3,000 square feet of cement walk around the school. Boys of another school wrote letters to employed boys in their school district calling attention to the public night school then in session. The efficiency list contains the names of boys of character who have passed the various tests of the league, such as knowledge of Nebraska and the city of Lincoln, ability to write a good business letter, and ability to perform the fundamental operations and simple fractions in arithmetic with speed and accuracy.

The Chamber of Commerce cooperated with the public schools and the agricultural extension service of the state university in establishing a children's market, where the boys and girls of the city could bring the vegetables which they raised at home and sell them. A row of booths was erected on a prominent corner in the city, where the children each Saturday morning had their own market. Prizes are awarded each year to boys and girls excelling in home gardening.

The club has also sought to develop a community interest with the farmers of the county, many of whom have memberships in the club at \$10 a year.

The city of Lincoln seems to have solved the problem of the small city and devised a club that does not spend its entire time in talking business nor its entire time in social functions. The biggest point is the fact that such a club can exist in a city of something less than 60,000 population and pay its own way.

"From Greenland's Icy Mountains—"

TALK about the spirit of the chamber of commerce movement! Not long ago the headquarters staff of the National Chamber had a visit from the president of the Chamber of Commerce of Reykjavik, Iceland. The Chamber of Commerce of Nome, Alaska, an organization member in good standing of the National Chamber, can claim distinction from its location not far distant from the Bering Strait.

But a recent notice received by the Chamber of Commerce of the United States de-



Truths in Tabloid about the Jewett Water Cooler

Made by Jewett—a warrant of excellence in itself. Being square it takes a solid cake of ice. No cracking. No hurried melting. Saves money. Walls are insulated with pure cork 1½ inches thick. Cold kept in—heat out. Water always tastes fresh and clean. Angle-flow makes it impossible to drink directly over bubbler, avoiding contamination.



Connects with water supply.

Water coil lies under ice tray.

You may buy from factory at first cost. Quotations and data by return mail.

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Established 1819

25 Chandler Street
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Efforts to find cost by percentage on direct wages is a dangerous delusion. Stop it.

There is No Overhead

Modern conditions demand modern methods or failure threatens.

Send for the General Managers' Expense Analysis, Free

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for \$4 paid in advance. I am the Modern Business Cyclopaedia. I faithfully advise everybody in business—whether accountant, banker, exporter, efficiency expert, lawyer or broker—regarding any term or phrase used. I hold over 15,000 terms and definitions used by above, including 3,000 general and stock exchange abbreviations, and when consulted, I never mislead. Many users claim I save them thousands in fees and much time. \$4 brings me post-haste. Since I am guaranteed to please, you ought to ORDER ME NOW!

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Forming a Company?

You gain many advantages by organizing on the Common Law plan under a pure Declaration of Trust. NATIONAL STANDARD blanks, the accepted forms, can be filled in by anyone, anywhere. Complete outfit, with directions, furnished by C. S. DEMAREE, legal blank publisher, 613 Walnut, Kansas City, Mo. Ask for free pamphlet "D-14."



Seattle has year-around steamship service to Alaska's ice-free ports

Seattle— Gateway to Alaska

SEATTLE IS THE MARKET PLACE of Alaska, equal in area to Norway, Sweden, Denmark, Holland, Belgium and Finland combined, in the same latitude and capable of supporting an equal population.

Alaska has a wealth of gold, silver, copper, tin, lead, iron, marble, coal, antimony, cinnabar, graphite, platinum, palladium, oil, furs, waterpower, the greatest fisheries in the world, and forests capable of supplying one-third of our present paper requirements in perpetuity.

Alaska has 60,000 square miles of agricultural land and produces oats, barley, wheat, rye, hay. Vegetables, fruit, flowers flourish.

Since Alaska was purchased for \$7,200,000 in 1867 its commerce has aggregated \$1,533,000,000 and averages about \$100,000,000 a year, principally through Seattle. Its resources have barely been scratched. A new and enlightened Federal policy promises a new and golden era for Alaskan development.

The Government railroad from the sea through the vast interior to Fairbanks opens for development a rich and scenic empire. Alaska has year-around steamship service with Seattle. It has as many varieties of climate as have the Eastern and Middle States—winter temperatures in southern Alaska are about the same as in New York.

Alaska is a scenic paradise. Its mountains overtop Mt. Blanc, the Jungfrau and the Matterhorn. Its glaciers dwarf those of Switzerland. Its wonders and beauties may be seen from the decks of ocean and river steamers.

A summer voyage to Alaska, though comparatively inexpensive, is unquestionably the supreme trip of the Western hemisphere.

Combine business and pleasure this summer. See Alaska, while studying Seattle as a manufacturing or distributing point for Pacific Coast and Oriental markets.

SEATTLE—
the center of the
Nation's Summer Play-
ground.



Get in touch with
SEATTLE CHAMBER
OF COMMERCE, 913
Ardie Bldg., Seat-
tle, Washington.

scribes the organization of a chamber of commerce at Elisabethville, which is a further remarkable evidence of the spread of the institution. The letterhead announces that Elisabethville may be addressed at Katanga, Belgian Congo, via Cape Town. Elisabethville, which happens to be the capital city of Katanga, is located not a very great distance across the Rhodesian boundary, and about as thoroughly in the heart of Africa as it is possible to go. The letter from Elisabethville, bearing date of January 5, took an even month to make the trip to Washington. Its tone rather leads one to believe that this newly created Chamber of Commerce at "the capital of the Katanga and the seat of the government," is imbued with a real chamber of commerce spirit.

CHAMBRE DE COMMERCE, D'INDUSTRIE ET D'AGRICULTURE DU KATANGA, SIEGE: ELISABETHVILLE
(VIA CAPE TOWN) KATANGA—CONGO BELGE.

le 5th January, 1922.

No. 00171

Prière de le rappeler dans la correspondance à adresser au

Secrétariat Administratif,
Boîte Postale No. 85.

OBJET:

Notification of the Constitution of a Chamber of Commerce

ANNEXES

"Gentlemen.

"We have the pleasure to inform you that we have just constituted in Elisabethville—the Capital of the Katanga and the seat of the Government—"The Chamber of Commerce, Industry and Agriculture of Katanga," composed of Licensed Traders, Manufacturers and Agriculturists, in realization of the wish expressed by the Governor-General of the Belgian Congo. Mr. Maurice Lippens.

"With the view of reaching a state of perfection similar to that which your Institution has attained, our Chamber of Commerce, etc. your young colleague, express the desire to receive from you, if you are agreeable, any information you can afford us regarding your activities from time to time, and if you can send us a copy of your Rules and Regulations and any publication which you may issue, we shall feel extremely obliged. This would be of great assistance to us and would contribute to our hopes of success.

"We should be obliged if you would mention our Chamber to any Traders, Manufacturers, &c, who might wish to open up business relations in Katanga.

"Thanking you in anticipation we beg to remain, Gentlemen,

Yours faithfully,

For the Committee.

The Secretary (f. f.) The President (f. f.)

This communication was printed, and the fact that we have had duplicates of it sent in from chambers of commerce of other cities, has kept us from the notion that we were receiving exclusive attention in this announcement. None the less, we have been glad to comply with the request of "our young colleague," and we join with it in its hopes that "this would be a great assistance to us and would contribute to our hopes of success."

And from a German Source

THE foreign correspondence of the Chamber of Commerce of the United States sheds a little light on the question of the vaunted German efficiency in foreign trade. To start the new year we had a letter with enclosures from an export and import concern in Bremen, whose letterhead proclaimed it to be a "member of the Board of Trade in Bremen" and "member of the American As-



sociation of Commerce and Trade" and to have "representatives in all industrial places." The letter reads as follows:

G. H. WITTENBERG

EXPORT

IMPORT

Member of the American Association of Commerce and Trade.

Member of Board of Trade in Bremen.

Representatives in all industrial places.

Bremen 4, 16 December 1921.

21 Friedrich Wilhelmstrasse

Telephone Roland 7292

Telegrams, "Gustwittberg"

A. B. C. Code, 5th Edition

Bank:

Nationalbank für Deutschland

Bremen-Neustadt

Dept. Corresp.

Chambre of Commerce,

"Dear Sirs,

"With my present I beg you kindly to draw the attention of your members to my firm as export agent of all articles as per list attached. In case you make any publications occasionally I should be much obliged to you if you would mention my name.

"I have the intention to enlarge my business with your country and should also be glad if possible to have a list of British firms being interested in German articles (importers, wholesale dealers &c.)

"Please hand lists attached to firms in question.

"Thanking you in anticipation, I remain Dear Sirs,

Yours very truly"

From the reference to "British firms being interested in German articles," we had the dim suspicion either that the German exporter who has "representatives in all industrial places" was flashing a form letter on us that he had also flashed on correspondents in Great Britain, or that he had not heard that the United States had ceased to be a part of the British Empire. On the matter of "being" we had more than a dim suspicion that the reference was to a possibility of being stung.

Our curiosity piqued, we proceeded to examine the list of German articles which he offered for sale. There we discovered that through this export agent it was possible to buy "locomobiles," "heating supply," "cooling machines," "supplement parts for all sorts of machinery," "dung-machines," "reserve-deals," "jockey-articles," "peat-mull (turf-mould)," and "peat-straw for litters."

Our prospectus stated that price lists and catalogs would be sent "on application against prepaid postal fees."

Somewhat or other, there wasn't a thing alluring in this German proposition; there wasn't a bit of evidence of that much talked-of German familiarity with foreign peoples, their languages, and their methods of trade, etc., etc.; there wasn't a bit of sales pull to this whole business. We conclude that there must be, somewhere in Germany, some people in the export and import business who have not quite achieved the pink of perfection.

The foregoing are not the only human interest points in this foreign correspondence of ours. One incoming mail brought a letter from the capital of Czechoslovakia, which we decided was notable enough to justify its reproduction here. At first blush, seeing that it was from "Prahá" and, to say the least, our knowledge of Bohemian (language) being somewhat imperfect, we were prepared to pass it up to await the expert attention of a friendly translator.

Looking at it a little more closely, however, we discovered that we could make out a word here and there, and almost before we knew it we discovered that we knew what

The Most Profitable SECURITY of all

It is not a stock

It is not a bond

It is not a note

It is the security provided by sound and timely information and analysis of conditions and prospects in every great basic industry and in the general economic fields—finance, the security markets, foreign trade, labor, prices and so on.

You Can Make More Money This Year

by letting us serve you with such information—the essential fundamental facts, compiled and arranged by economists and financial and business editors of nation-wide repute, backed by the largest statistical force ever assembled for such a purpose.

Let us show you how a very small investment will yield you extraordinary returns.

Investigate our Service by returning the coupon above—and your business will be better prepared to get its share of the prosperity which even now is in the making. Delay may be costly.

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"The World's Largest Statistical Organization"

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Are Your Coal Mines making money today?

Peabody-managed mines are. Let us show you why. Our Service includes managing, operating, financing, selling. Experience 39 years.



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Operating 36 Bituminous Mines in 11 Fields with Annual Capacity of 21,000,000 Tons

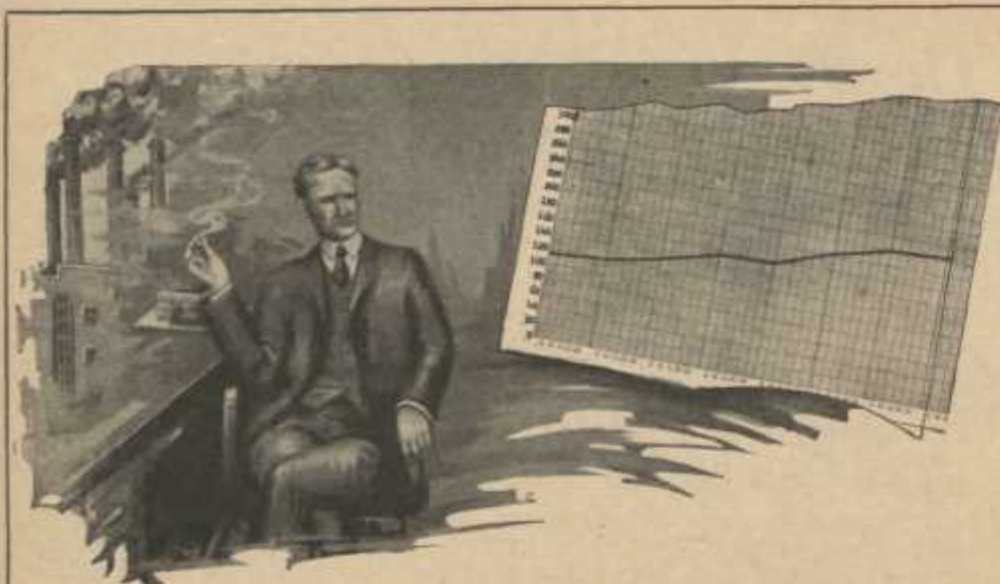
Smoke Fresh Cigars

THERE'S A REASON for our "Factory to smoker" cigar business increase in only a few years from practically nothing to 110,000 daily.

It is due partly to the saving in buying by this method, and to the impossibility of procuring cigars with the full HAVANA flavor from any other section in the world; but the chief inducement is that we supply smokers with cigars made only a few hours before shipment—FRESH CIGARS—containing all the original natural flavor and aroma to which the smoker is entitled when purchasing cigars, but which he seldom gets when buying them in the old way, for cigars lose fifty per cent of their goodness in sixty days.

Our finest grades are CLEAR HAVANA, and even our least expensive brands are largely made from this mild, sweet tobacco. All shapes and sizes for every taste. Prices from \$7.00 to \$20.00 per hundred. TRY THEM BETTER. CHEAPER PLAN OF GETTING CIGARS. Write us on your letterhead, or enclose business card, telling us what price, what shape, and whether you prefer light, medium or dark. It will then be our pleasure to send you some cigars to try out.

THOMPSON & COMPANY, Inc., 712 Twiggs Street, Tampa, Florida
Factories: Tampa and Key West



"OVERHEAD"

IF only a few of the many indirect expense items which constitute your "overhead" could be done away with—what a difference it would make!

At least one of the items—power waste—is eliminated when a Westinghouse National Air Compressor gets on the job.

The distinctive Automatic Control, with which all Westinghouse National Compressors are equipped, cuts the motor "in" or "out" as the pressure drops or mounts to predetermined minimum and maximum points.

When sufficient pressure is available to meet your requirements, remember this: The motor does not "idle" along—it stops! and no power whatsoever is consumed at any time during the period of descending pressure.

Does that suggest economy to you?

Westinghouse Air Brake Co.

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CO., Ltd., Hamilton, Ont.

WESTINGHOUSE NATIONAL
Compressors are furnished in all sizes, from 4 to 550 cu. ft. piston displacement; stationary and portable types; alternating or direct current motor.

Especially adapted for factories, foundries, garages, office buildings, railway shops and terminals, printing plants, etc. Write for further information. Literature on request.

WESTINGHOUSE — NATIONAL AIR COMPRESSORS

it was all about—it was an invitation to our distinguished president to come to Prague and to participate in the spring Sample Fair in the Czechoslovak capital. We may have muffed a few of the fine points in this epistle, but at any rate we were able to get its drift without (if we must be frank) knowing a syllable of the Czechoslovak tongues. Slowly but surely (by the end of the first sentence, to be exact), it dawned on us that the thing is done in Esperanto. Here it is for you to try your luck:

INTERNACIA SPECIMENA FOIRO DE PRAHA.

Telefoniloj:

Foiro Oficejo 9140, 7434.
Ekspoziciejo 7301, 3190.
Gazetara Fako 5536.
Reklama Fako 5235.

Kablado: Foiro de Praha.

Bankilatoj:

Zivnostenska Banka en Praha.
Praha a urba sparkaso, k. n. 33.
Posta cekoficejo, k. n. 1,755.
Centra Banko de la cehaj sparkaso.

Rilata numero:

(Bonvolu citi en via tiurilata respondo).

Foiro Esperanta-Servo.

Praha, la 26/1/22.

1. Staromestaka radnice.

Al

Komerca Cambro
en Washington.

"Sinjoro la prezidanto,

"Ni informas vin, de nia foiro komencis korespondadi kun eksterlando ankau en la internacia helpa lingvo 'Esperanto'.

"Pri nia praktika uzado de tiu lingvo informas vin la afiso, broŝuro kaj bulteno, kiujn ni sendas al vi aparte.

"Bonvolu do sciigi la komercistaron de via regiono, ke ni plezure akceptos leterojn kaj informetojn en Esperanto. Ni opinias, ke tia sciigo okazos plej oportune per malgranda noto en via oficiala organo.

"Samtempe ni havas la honoron inviti vin, sinjoro la prezidanto, al vizito de nia printempa foiro / 12.—19. marto 1922 /, por ke vi mem povu informi pri ĝi vian klientaron. Se vi decidus veni, bonvolu anonci al ni detalojn pri via alveturo.

"Multe dankante pro la atento, kiun vi donos al nia letero, ni nature estos ciam pretaj por reciproka servo, kaj salutas vin

Sincere viaj."

Propagandu la INTERNACIAN SPECIMENAN FOIRON DE PRAHA.

The Sample Fair at Milan is likewise not hiding its attractions and its reasons for existence. In connection with the fair to be held from the 12th to the 27th of April, the Foreign Commerce Department has just received a little booklet most attractive in cover, appearance, in illustrations, and not without its charm in phraseology. Here are some gems from the cluster:

The initiative, which the first time appeared bold, has quickly consolidated itself; it was at once understood that the great yearly sample market was bound to become the most striking national event of each spring henceforward, while the tones and colours of Italy's skies and nature reffourishes, the promising hum which attends the sample holiday will also repalpitte and bring forth everything that has blossomed in the initiative, and that has ripened in the concrete, tenacious and persevering work of our Country.

The choosing of Milan as the seat of the Fair was not done casually. It is not that in other places the love of work beats less strong, and less enthusiastically; it is not because the willing qualities of the breed, the fortune of enterprises, the throb of hopes are less strong than elsewhere.

We have seen that the Fair is of universal interest. We can defy not only the sceptical

producer or consumer, but also any other citizen, who unconsciously is producer or client in every way.

He, without knowing, perhaps without wishing it, is in some way present at the Fair, he finds something that unthinkingly interest him and involuntarily attracted is sure to stop, to reflect, to ask, to desire and to learn something about something.

Wellcome to you all who come from every part of our Italy, or from the most distant foreign lands! Wellcome to this city of our where you can say—as the German producer when he went to the old Fair of Leipzig—there is always something new under the stars.

Buyer or seller, industrial or workman, observe, learn and do good business, which may consist even in buying, not materially, but in acquiring an experience or a notion.

Who could resist that appeal to acquire a notion especially when driven home by the knowledge that the fair "admonishes that only the idle and foolish are beaten in the world, that they only deserve riches who sleep not."

The Limit of Judicial Patience

USELESS EXPENSE at the cost of clients is not according to the taste of the United States Supreme Court, nor useless and burdensome masses of material through which the court is supposed to delve. In appealing against the lower court's decision about rates for gas in New York City, the attorneys for the state presented twenty-one printed volumes of testimony, although the rules of the Supreme Court call only for a simple condensed statement of the testimony.

This was indefensible, according to the court, and hereafter will lead to punishment to the limit of the court's discretion—possibly by dismissal of an appeal.

This was not the only adverse comment drawn by attorneys for the state. When they said that the lower court and the master who took testimony had not been fair, the Supreme Court retorted that the suggestion as to the lower court was frivolous and told the attorneys that, manifestly, they had made the situation unnecessarily difficult and had failed to support the master's earnest efforts to ascertain promptly the essential facts.

Down With Useless Words!

FURTHER ammunition for our fight against useless words in business correspondence is furnished by W. P. Southard, vice-president of the J. P. Burton Coal Company of Cleveland. Mr. Southard says that this has long been a hobby of his. He adds:

It really is a waste of time, effort and energy to read some of the letters which are received in the ordinary course of business every day, and if anyone is analytic enough to judge the character of the writer by his dictation, he cannot help but receive an unpleasant impression thereby.

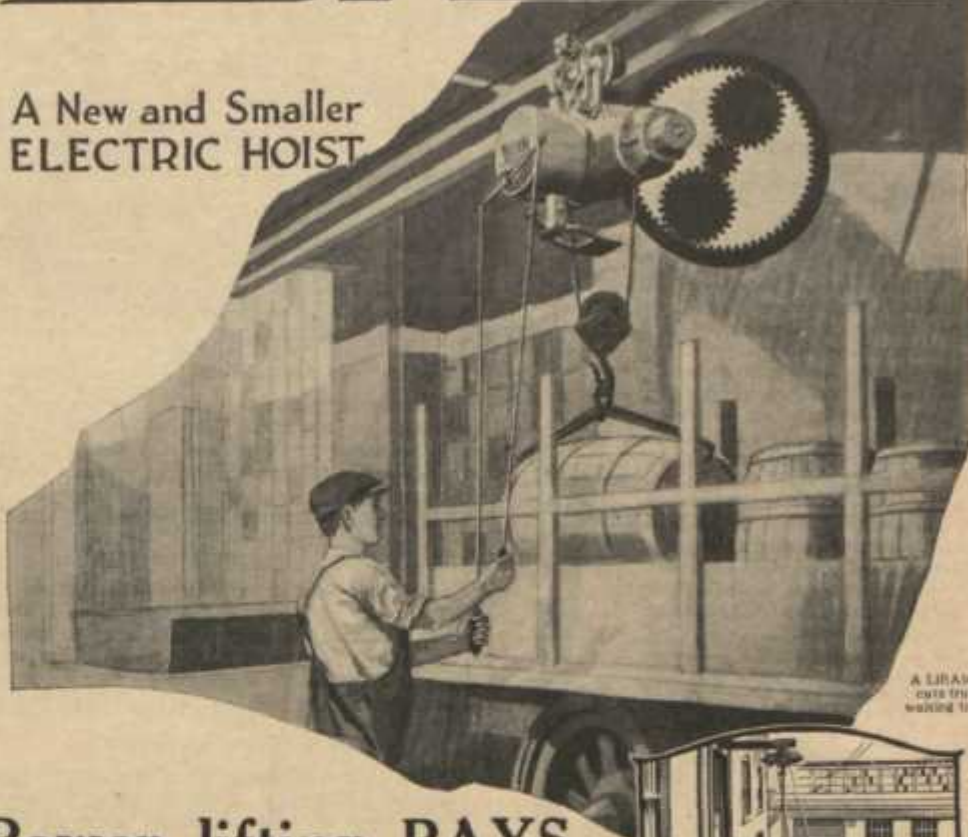
I am not a Crusader, and do not hope ever to see the business correspondence of this country reformed by the individual efforts of any one man or any group of men. I can, however, control it in my own organization, and I am inclosing a copy of a Policy Letter issued to the various employees of our organization very recently on this same subject.

Here are the instructions to which Mr. Southard refers:

Sincerity is the keynote of success in letter writing. I notice a great many of our letters going out of the office carry some of the old insincere phrases that so much general corre-

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All this general utility hoist needs is one man to operate it—he, unassisted, can handle loads of every type and proportion in capacities to 1,000 and 2,000 pounds. Men are released for other work, and load-moving is done in a systematic, orderly way in a fraction of the time.

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A *Liftabout* runs on an overhead I-Beam track, takes up no floor space, and can be quickly and easily installed to operate most anywhere.

Made by America's largest electric hoist manufacturers. Quantity production with standardized construction makes it low in price. It has famous Shepard *balanced drive*, enclosed unit construction, Zobell special hoist motor, Hyatt Roller Bearings, and other distinctive features.

WRITE US TODAY—We're sure the *Liftabout* offers economical and exceptional advantages for your business.

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SEND FOR this circular showing *Liftabouts* in many uses.



Ask Your Banker— “What is the best way to— Protect My Checks —against ‘raising’?”

Tell him, “I mean positive protection.”

If his is one of the thousands of banks using Super-Safety Insured Checks your banker will answer you: “You are already positively protected by using the Super-Safety Insured Checks which we have furnished you. You can write your checks in pen and ink, on the typewriter or, if you want to, with a protective machine and should any of them be fraudulently altered to read an amount larger than originally intended, you are protected, by insurance, to the extent of \$1,000.00 on each check you write.

If your banker cannot accommodate you with this positive protection write us for the name of one in your locality who will.



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spondence is afflicted with. Let's set the example in this office, and omit from our letters much of the stereotyped bunk that through the years has become a habit and appears in so many of the ordinary business letters. Our letters can be simple and dignified without them.

Think a minute! When you are writing a letter, you are talking to the party addressed, aren't you? Do you say when you speak to a man, “We duly received your esteemed favor of the 2d ult., and in reply beg to advise that we duly transmitted the contents thereof, etc.?” No! I hope you don't! You *do* say: “Mr. Jones, we shipped that car you ordered on the 29th of last month. Let me know if you don't get it promptly,” or something of that sort. Now let's analyze some of this bunk we read in letters we get, and, Heaven help us, send out of this office every day:

No. 1. “We wish to acknowledge”

When a man's wishbone is where his backbone ought to be, he usually ends up at the bottom of the heap. We don't “wish” in this office to do anything—we either do it or we don't; that's one thing we *can* stop. Let's do it.

No. 2. “We are in receipt of your letter”

Of course we received his letter or we wouldn't be answering it. Why is it necessary to take your time and the stenographer's time to tell a man something he already knows, or must know, because you are replying to him. Let's cut that out and get to the point.

No. 3. “We sincerely trust”

How many times when we say that do we really mean it? About the only time I know when we sincerely trust a man is when we sell him coal on open account. That is the most sincere evidence of trust that I know. If we don't mean that let's not say it.

No. 4. “Your kind letter”

This is a business office. We don't expect kindness or charity. We do expect courtesy. If we want to tell a man his letter is courteous, let's say so, and if we appreciate his courtesy, it is very easy to express that appreciation by telling him that we appreciate the courteous manner in which he is cooperating with us, or something of that sort.

No. 5. “We would appreciate receiving a reply”

That's an old-time phrase that has come down all through the centuries. It doesn't mean anything, particularly, and if we want to be courteous, we can be so in a much more direct manner than following some of these old, hackneyed phrases.

No. 6. “We acknowledge receipt”

This is in the same class as item No. 2, only worse. Unless we want to be strictly formal, we do not have to acknowledge anything. This phrase is good in its proper place, but it is so badly misused ordinarily that we will have to watch ourselves when we do use it.

No. 7. “Beg to advise”

This is one of the worst ones. Why do we beg anything? Great heavens, if we have to beg, let's get out on the corner and sell lead pencils, and as to “advise,” I think everybody knows that advice is the cheapest commodity in the world, for everybody likes to give it and nobody likes to receive it, so why “advise” a man anything? If you want to suggest something, do it, but let's *never* put this one in any of our letters.

No. 8. “Your esteemed favor”

That's all bunk. A man's letter is seldom an esteemed favor. He may favor us some time by writing us a letter and giving us an order in preference to somebody else, but why the “esteemed”? I don't like it and I don't

think any other red-blooded man does. That's another one that can happily be omitted.

No. 9. “Contents duly noted”

Now just set that phrase up and look at it. Would you say that to a man if you were talking to him? You know you wouldn't. Well, then, don't say it in a letter.

No. 10. “Instant” and “Ultimo”

These old Latin derivatives, originally brought into our correspondence by the old clerics four or five hundred years ago, were meant to impress upon the recipient the superior education of the writer. We don't need to do that any more. When a man tries to impress another man with his superior education, he is only laying up trouble and ill will for himself, and we don't want either of those commodities in our business.

No. 11. “This is to inform”

That starts out like a sentence to six months in jail, and every old legal writ or warrant used similar phrases in order to impress the dignified import of their contents upon the reader. It isn't necessary and I don't think we would miss that phrase if we left it out hereafter.

No. 12. “Attached hereto,” “Inclosed herewith”

It can't be attached if it isn't “hereto,” and it can't be inclosed if it isn't “herewith.” You can't make an *inclosure* in another envelope, so you are just saying something that is entirely superfluous.

No. 13. “We would state,” “We would suggest”

Why the use of “would”? That's going around Robin Hood's barn to make a direct statement. Let's make our statements direct, courteously always, but never in a roundabout way.

No. 14. “Same”

That's an adjective. It cannot be correctly used as a substitute for “this,” “that,” “these,” “those,” “it,” “they” or “them.” It's rotten bad form anyway, so if we want to make reference to any particular thing, let's call it by name and not hide behind the shadow of that “same.”

No. 15. “To hand,” “At hand”

I don't think either one of these need any comment, as they are so ridiculously superfluous and meaningless that if anyone is thinking at all when they write a letter, they won't use them.

No. 16. “Hand you”

In these days when anybody uses the words “hand you” they mean they are going to hand you something, and giving that the slang significance that it deserves, you know what *that* means. If we want to tell our customers we are going to hand them something, they'll know what to expect and they will naturally shy off, so let's cut that one out too.

No. 17. “Per your request”

“As requested” sounds a lot better. I would like to see the latter phrase used in substitution every time.

No. 18. “Trusting,” “Hoping,” “Thanking,” etc.

Any one of these words when merged with “Yours truly,” or any other ending of that sort weakens the last paragraph of your letter. It can't help but do so—its an anticlimax, and the last paragraph of your letter ought to carry the punch. Make the climax and then do not weaken it by sloughing off at the end.

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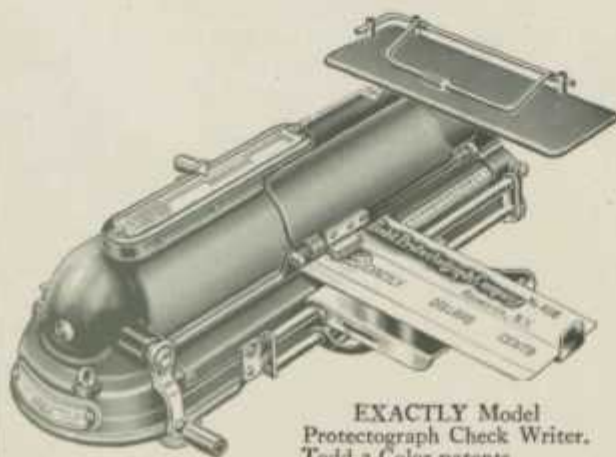
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Overall capacity (chassis, body and load)	14,000 lbs.	14,000 lbs.
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2 cylinder 1½-2 ton Autocars

Wheelbase lengths	97 ins.	120 ins.
Overall capacity (chassis, body and load)	11,000 lbs.	11,000 lbs.
Unladen chassis weights only	3600 lbs.	3700 lbs.
Prices (chassis)	\$1950	\$2050

2 cylinder 1½-2 ton Autocars (Rebuilt)

Wheelbase lengths	97 ins.	120 ins.
Overall capacity (chassis, body and load)	11,000 lbs.	11,000 lbs.
Unladen chassis weights only	3600 lbs.	3700 lbs.
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